

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended September 30, 2023

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition Period From to

Commission file number 1-8400

American Airlines Group Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1 Skyview Drive, Fort Worth, Texas 76155

(Address of principal executive offices, including zip code)

75-1825172

(I.R.S. Employer Identification No.)

(682) 278-9000

(Registrant's telephone number, including area code)

Commission file number 1-2691

American Airlines, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1 Skyview Drive, Fort Worth, Texas 76155

(Address of principal executive offices, including zip code)

13-1502798

(I.R.S. Employer Identification No.)

(682) 278-9000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	AAL	The Nasdaq Global Select Market
Preferred Stock Purchase Rights	—	(1)

(1) Attached to the Common Stock

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

American Airlines Group Inc. Yes No
American Airlines, Inc. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

American Airlines Group Inc. Yes No
American Airlines, Inc. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

American Airlines Group Inc. Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company
American Airlines, Inc. Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

American Airlines Group Inc.
American Airlines, Inc.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

American Airlines Group Inc. Yes No
American Airlines, Inc. Yes No

As of October 13, 2023, there were 653,540,550 shares of American Airlines Group Inc. common stock outstanding.

As of October 13, 2023, there were 1,000 shares of American Airlines, Inc. common stock outstanding, all of which were held by American Airlines Group Inc.

American Airlines Group Inc.
American Airlines, Inc.
Form 10-Q
Quarterly Period Ended September 30, 2023
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General

This report is filed by American Airlines Group Inc. (AAG) and its wholly-owned subsidiary American Airlines, Inc. (American). References in this report to “we,” “us,” “our,” the “Company” and similar terms refer to AAG and its consolidated subsidiaries. References in this report to “mainline” refer to the operations of American only and exclude regional operations.

Note Concerning Forward-Looking Statements

Certain of the statements contained in this report should be considered forward-looking statements within the meaning of the Securities Act of 1933, as amended (the Securities Act), the Securities Exchange Act of 1934, as amended (the Exchange Act), and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate,” “plan,” “project,” “could,” “should,” “would,” “continue,” “seek,” “target,” “guidance,” “outlook,” “if current trends continue,” “optimistic,” “forecast” and other similar words. Such statements include, but are not limited to, statements about our plans, objectives, expectations, intentions, estimates and strategies for the future, and other statements that are not historical facts. These forward-looking statements are based on our current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those described below under Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations, Part II, Item 1A. Risk Factors and other risks and uncertainties listed from time to time in our filings with the Securities and Exchange Commission (the SEC).

All of the forward-looking statements are qualified in their entirety by reference to the factors discussed in Part II, Item 1A. Risk Factors and elsewhere in this report. There may be other factors of which we are not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. We do not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting such statements other than as required by law. Any forward-looking statements speak only as of the date of this report or as of the dates indicated in the statements.

Summary of Risk Factors

Our business is subject to a number of risks and uncertainties that may affect our business, results of operations and financial condition, or the trading price of our common stock or other securities. We caution the reader that these risk factors may not be exhaustive. We operate in a continually changing business environment, and new risks and uncertainties emerge from time to time. Management cannot predict such new risks and uncertainties, nor can it assess the extent to which any of the risk factors below or any such new risks and uncertainties, or any combination thereof, may impact our business. These risks are more fully described in Part II, Item 1A. Risk Factors. These risks include, among others, the following:

Risks Related to our Business and Industry

- Downturns in economic conditions could adversely affect our business.
- We will need to obtain sufficient financing or other capital to operate successfully.
- Our high level of debt and other obligations may limit our ability to fund general corporate requirements and obtain additional financing, may limit our flexibility in responding to competitive developments and may cause our business to be vulnerable to adverse economic and industry conditions.
- We have significant pension and other postretirement benefit funding obligations, which may adversely affect our liquidity, results of operations and financial condition.
- If our financial condition worsens, provisions in our credit card processing and other commercial agreements may adversely affect our liquidity.
- The loss of key personnel upon whom we depend to operate our business or the inability to attract and develop additional qualified personnel could adversely affect our business.
- Our business has been and will continue to be affected by many changing economic and other conditions beyond our control, including global events that affect travel behavior, and our results of operations could be volatile and fluctuate due to seasonality.
- Union disputes, employee strikes and other labor-related disruptions, or our inability to otherwise maintain labor costs at competitive levels and hire and retain a sufficient number of employees may adversely affect our operations and financial performance.
- If we encounter problems with any of our third-party regional operators or third-party service providers, our operations could be adversely affected by a resulting decline in revenue or negative public perception about our services.
- Any damage to our reputation or brand image could adversely affect our business or financial results.
- Changes to our business model that are designed to increase revenues may not be successful and may cause operational difficulties or decreased demand.
- Our intellectual property rights, particularly our branding rights, are valuable, and any inability to protect them may adversely affect our business and financial results.
- We may be a party to litigation in the normal course of business or otherwise, which could affect our financial position and liquidity.
- Our ability to utilize our NOLs and other carryforwards may be limited.

- We have a significant amount of goodwill, which is assessed for impairment at least annually. In addition, we may never realize the full value of our intangible assets or long-lived assets, causing us to record material impairment charges.
- The airline industry is intensely competitive and dynamic.
- The commercial relationships that we have with other companies, including any related equity investments, may not produce the returns or results we expect.
- Our business is very dependent on the price and availability of aircraft fuel. Continued periods of high volatility in fuel costs, increased fuel prices or significant disruptions in the supply of aircraft fuel could have a significant negative impact on consumer demand, our operating results and liquidity.
- Our business is subject to extensive government regulation, which may result in increases in our costs, disruptions to our operations, limits on our operating flexibility, reductions in the demand for air travel, and competitive disadvantages.
- We operate a global business with international operations that are subject to economic and political instability and have been, and in the future may continue to be, adversely affected by numerous events, circumstances or government actions beyond our control.
- We may be adversely affected by conflicts overseas or terrorist attacks; the travel industry continues to face ongoing security concerns.
- We are subject to risks associated with climate change, including increased regulation of our CO₂ emissions, changing consumer preferences and the potential increased impacts of severe weather events on our operations and infrastructure.
- A shortage of pilots or other personnel has in the past and could continue to materially adversely affect our business.
- We depend on a limited number of suppliers for aircraft, aircraft engines and parts. Delays in scheduled aircraft deliveries or other loss of anticipated fleet capacity, and failure of new aircraft to perform as expected, may adversely impact our business, results of operations and financial condition.
- We rely heavily on technology and automated systems to operate our business, and any failure of these technologies or systems could harm our business, results of operations and financial condition.
- Evolving cybersecurity and data privacy requirements (in particular, compliance with applicable federal, state and foreign laws relating to handling of personal information about individuals) could increase our costs, and any significant data security or privacy incident could disrupt our operations, harm our reputation, expose us to legal risks and otherwise materially adversely affect our business, results of operations and financial condition.
- We rely on third-party distribution channels and must manage effectively the costs, rights and functionality of these channels.
- If we are unable to obtain and maintain adequate facilities and infrastructure throughout our system and, at some airports, adequate slots, we may be unable to operate our existing flight schedule and to expand or change our route network in the future, which may have a material adverse impact on our operations.

PART I: FINANCIAL INFORMATION

This report on Form 10-Q is filed by both AAG and American and includes the Condensed Consolidated Financial Statements of each company in Item 1A and Item 1B, respectively.

ITEM 1A. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.

AMERICAN AIRLINES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except share and per share amounts)(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating revenues:				
Passenger	\$ 12,421	\$ 12,396	\$ 36,502	\$ 32,438
Cargo	193	279	613	970
Other	868	787	2,611	2,375
Total operating revenues	<u>13,482</u>	<u>13,462</u>	<u>39,726</u>	<u>35,783</u>
Operating expenses:				
Aircraft fuel and related taxes	3,209	3,847	9,098	10,369
Salaries, wages and benefits	3,974	3,384	10,891	9,773
Regional expenses	1,168	1,174	3,463	3,298
Maintenance, materials and repairs	870	685	2,389	1,949
Other rent and landing fees	745	710	2,214	2,081
Aircraft rent	342	347	1,031	1,045
Selling expenses	430	495	1,357	1,331
Depreciation and amortization	487	491	1,456	1,486
Special items, net	949	37	962	189
Other	1,531	1,362	4,487	4,037
Total operating expenses	<u>13,705</u>	<u>12,532</u>	<u>37,348</u>	<u>35,558</u>
Operating income (loss)	<u>(223)</u>	<u>930</u>	<u>2,378</u>	<u>225</u>
Nonoperating income (expense):				
Interest income	168	70	456	107
Interest expense, net	(537)	(499)	(1,626)	(1,430)
Other income (expense), net	(98)	157	(119)	274
Total nonoperating expense, net	<u>(467)</u>	<u>(272)</u>	<u>(1,289)</u>	<u>(1,049)</u>
Income (loss) before income taxes	<u>(690)</u>	<u>658</u>	<u>1,089</u>	<u>(824)</u>
Income tax provision (benefit)	(145)	175	286	(148)
Net income (loss)	<u>\$ (545)</u>	<u>\$ 483</u>	<u>\$ 803</u>	<u>\$ (676)</u>
Earnings (loss) per common share:				
Basic	\$ (0.83)	\$ 0.74	\$ 1.23	\$ (1.04)
Diluted	\$ (0.83)	\$ 0.69	\$ 1.16	\$ (1.04)
Weighted average shares outstanding (in thousands):				
Basic	654,119	650,586	653,241	650,145
Diluted	654,119	715,985	719,956	650,145

See accompanying notes to condensed consolidated financial statements.

AMERICAN AIRLINES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions)(Unaudited)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net income (loss)	\$ (545)	\$ 483	\$ 803	\$ (676)
Other comprehensive income (loss), net of tax:				
Pension, retiree medical and other postretirement benefits	(237)	29	(203)	85
Investments	(1)	(1)	—	(5)
Total other comprehensive income (loss), net of tax	<u>(238)</u>	<u>28</u>	<u>(203)</u>	<u>80</u>
Total comprehensive income (loss)	<u>\$ (783)</u>	<u>\$ 511</u>	<u>\$ 600</u>	<u>\$ (596)</u>

See accompanying notes to condensed consolidated financial statements.

AMERICAN AIRLINES GROUP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except share and par value amounts)

	September 30, 2023 (Unaudited)	December 31, 2022
ASSETS		
Current assets		
Cash	\$ 577	\$ 440
Short-term investments	10,005	8,525
Restricted cash and short-term investments	925	995
Accounts receivable, net	2,021	2,138
Aircraft fuel, spare parts and supplies, net	2,461	2,279
Prepaid expenses and other	719	892
Total current assets	16,708	15,269
Operating property and equipment		
Flight equipment	40,934	39,703
Ground property and equipment	10,156	9,913
Equipment purchase deposits	799	613
Total property and equipment, at cost	51,889	50,229
Less accumulated depreciation and amortization	(21,571)	(20,029)
Total property and equipment, net	30,318	30,200
Operating lease right-of-use assets	7,878	8,094
Other assets		
Goodwill	4,091	4,091
Intangibles, net of accumulated amortization of \$831 and \$827, respectively	2,053	2,059
Deferred tax asset	2,875	3,099
Other assets	1,788	1,904
Total other assets	10,807	11,153
Total assets	\$ 65,711	\$ 64,716
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Current maturities of long-term debt and finance leases	\$ 3,767	\$ 3,274
Accounts payable	2,123	2,149
Accrued salaries and wages	3,262	1,713
Air traffic liability	7,673	6,745
Loyalty program liability	3,491	3,169
Operating lease liabilities	1,387	1,465
Other accrued liabilities	2,677	2,981
Total current liabilities	24,380	21,496
Noncurrent liabilities		
Long-term debt and finance leases, net of current maturities	29,722	32,389
Pension and postretirement benefits	2,929	2,837
Loyalty program liability	5,834	5,976
Operating lease liabilities	6,329	6,559
Other liabilities	1,653	1,258
Total noncurrent liabilities	46,467	49,019
Commitments and contingencies		
Stockholders' equity (deficit)		
Common stock, \$0.01 par value; 1,750,000,000 shares authorized, 653,504,063 shares issued and outstanding at September 30, 2023; 650,642,461 shares issued and outstanding at December 31, 2022	7	6
Additional paid-in capital	7,353	7,291
Accumulated other comprehensive loss	(4,788)	(4,585)
Retained deficit	(7,708)	(8,511)
Total stockholders' deficit	(5,136)	(5,799)
Total liabilities and stockholders' equity (deficit)	\$ 65,711	\$ 64,716

See accompanying notes to condensed consolidated financial statements.

AMERICAN AIRLINES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)(Unaudited)

	Nine Months Ended September 30,	
	2023	2022
Net cash provided by operating activities	\$ 5,154	\$ 2,331
Cash flows from investing activities:		
Capital expenditures and aircraft purchase deposits	(1,753)	(1,860)
Proceeds from sale-leaseback transactions and sale of property and equipment	219	83
Purchases of short-term investments	(8,323)	(12,113)
Sales of short-term investments	6,857	13,412
Decrease in restricted short-term investments	39	41
Purchase of equity investments	—	(205)
Other investing activities	300	(274)
Net cash used in investing activities	(2,661)	(916)
Cash flows from financing activities:		
Payments on long-term debt and finance leases	(4,624)	(2,038)
Proceeds from issuance of long-term debt	2,324	699
Other financing activities	(92)	(8)
Net cash used in financing activities	(2,392)	(1,347)
Net increase in cash and restricted cash	101	68
Cash and restricted cash at beginning of period	586	408
Cash and restricted cash at end of period ⁽¹⁾	\$ 687	\$ 476
Non-cash transactions:		
Right-of-use (ROU) assets acquired through operating leases	\$ 748	\$ 840
Property and equipment acquired through debt	55	—
Property and equipment acquired through finance leases	34	121
Finance leases converted to operating leases	27	4
Operating leases converted to finance leases	—	42
Equity investments	—	12
Supplemental information:		
Interest paid, net	1,711	1,478
Income taxes paid	4	2

⁽¹⁾ The following table provides a reconciliation of cash and restricted cash to amounts reported within the condensed consolidated balance sheets:

Cash	\$ 577	\$ 332
Restricted cash included in restricted cash and short-term investments	110	144
Total cash and restricted cash	\$ 687	\$ 476

See accompanying notes to condensed consolidated financial statements.

AMERICAN AIRLINES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(In millions, except share amounts)(Unaudited)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Total
Balance at December 31, 2022	\$ 6	\$ 7,291	\$ (4,585)	\$ (8,511)	\$ (5,799)
Net income	—	—	—	10	10
Other comprehensive income, net	—	—	18	—	18
Issuance of 2,175,213 shares of AAG common stock pursuant to employee stock plans net of shares withheld for cash taxes	1	(16)	—	—	(15)
Share-based compensation expense	—	15	—	—	15
Balance at March 31, 2023	7	7,290	(4,567)	(8,501)	(5,771)
Net income	—	—	—	1,338	1,338
Other comprehensive income, net	—	—	17	—	17
Issuance of 469,087 shares of AAG common stock pursuant to employee stock plans net of shares withheld for cash taxes	—	(1)	—	—	(1)
Share-based compensation expense	—	32	—	—	32
Balance at June 30, 2023	7	7,321	(4,550)	(7,163)	(4,385)
Net loss	—	—	—	(545)	(545)
Other comprehensive loss, net	—	—	(238)	—	(238)
Issuance of 217,302 shares of AAG common stock pursuant to employee stock plans net of shares withheld for cash taxes	—	(1)	—	—	(1)
Share-based compensation expense	—	29	—	—	29
Settlement of Single-Dip Unsecured claims held in the Disputed Claims Reserve	—	4	—	—	4
Balance at September 30, 2023	<u>\$ 7</u>	<u>\$ 7,353</u>	<u>\$ (4,788)</u>	<u>\$ (7,708)</u>	<u>\$ (5,136)</u>

AMERICAN AIRLINES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(In millions, except share amounts)(Unaudited)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Total
Balance at December 31, 2021	\$ 6	\$ 7,234	\$ (5,942)	\$ (8,638)	\$ (7,340)
Net loss	—	—	—	(1,635)	(1,635)
Other comprehensive income, net	—	—	26	—	26
Issuance of 1,770,173 shares of AAG common stock pursuant to employee stock plans net of shares withheld for cash taxes	—	(14)	—	—	(14)
Share-based compensation expense	—	23	—	—	23
Balance at March 31, 2022	6	7,243	(5,916)	(10,273)	(8,940)
Net income	—	—	—	476	476
Other comprehensive income, net	—	—	26	—	26
Issuance of 281,593 shares of AAG common stock pursuant to employee stock plans net of shares withheld for cash taxes	—	(2)	—	—	(2)
Share-based compensation expense	—	18	—	—	18
Balance at June 30, 2022	6	7,259	(5,890)	(9,797)	(8,422)
Net income	—	—	—	483	483
Other comprehensive income, net	—	—	28	—	28
Issuance of 83,665 shares of AAG common stock pursuant to employee stock plans net of shares withheld for cash taxes	—	—	—	—	—
Share-based compensation expense	—	18	—	—	18
Balance at September 30, 2022	<u>\$ 6</u>	<u>\$ 7,277</u>	<u>\$ (5,862)</u>	<u>\$ (9,314)</u>	<u>\$ (7,893)</u>

See accompanying notes to condensed consolidated financial statements.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)**

1. Basis of Presentation

(a) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of American Airlines Group Inc. (we, us, our and similar terms, or AAG) should be read in conjunction with the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2022. The accompanying unaudited condensed consolidated financial statements include the accounts of AAG and its wholly-owned subsidiaries. AAG's principal subsidiary is American Airlines, Inc. (American). All significant intercompany transactions have been eliminated.

Management believes that all adjustments necessary for the fair presentation of results, consisting of normally recurring items, have been included in the unaudited condensed consolidated financial statements for the interim periods presented. The preparation of financial statements in accordance with accounting principles generally accepted in the United States (GAAP) requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. The most significant areas of judgment relate to passenger revenue recognition, the loyalty program, deferred tax assets, as well as pension and retiree medical and other postretirement benefits.

(b) Labor Relations

In May 2023, American and the Allied Pilots Association, the union representing our mainline pilots, reached an agreement in principle on a new collective bargaining agreement, which was ratified in August 2023. This four-year agreement provides wage rate increases, including an initial wage rate increase of 21% effective as of January 1, 2023, quality-of-life benefits and other benefit-related items. The additional compensation for the 2023 period prior to contract ratification as a result of the higher wage rates was recorded within salaries, wages and benefits in the condensed consolidated statements of operations in the second and third quarters of 2023. The agreement also included a provision for a one-time payment upon ratification. During the third quarter of 2023, one-time charges resulting from the ratification of this new agreement were recorded as mainline operating special items, net in the condensed consolidated statement of operations, including the one-time payment of \$754 million as well as adjustments to other benefit-related items of \$229 million. The one-time payment and the additional compensation was principally paid in October 2023, with remaining payments expected to be paid in the first quarter of 2024.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)

2. Special Items, Net

Special items, net in the condensed consolidated statements of operations consisted of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Labor contract expenses ⁽¹⁾	\$ 983	\$ —	\$ 983	\$ —
Severance expenses	—	—	21	—
Fleet impairment ⁽²⁾	—	—	—	149
Litigation reserve adjustments	—	37	—	37
Other operating special items, net	(34)	—	(42)	3
Mainline operating special items, net	949	37	962	189
Regional operating special items, net	2	2	8	2
Operating special items, net	951	39	970	191
Debt refinancing and extinguishment	42	—	76	2
Mark-to-market adjustments on equity investments, net ⁽³⁾	59	(57)	70	32
Nonoperating special items, net	101	(57)	146	34
Income tax special items, net	—	—	—	(9)

⁽¹⁾ Labor contract expenses relate to one-time charges resulting from the ratification of a new collective bargaining agreement with our mainline pilots, including a one-time payment of \$754 million as well as adjustments to other benefit-related items of \$229 million.

⁽²⁾ Fleet impairment included a non-cash impairment charge to write down the carrying value of our retired Airbus A330 fleet to the estimated fair value due to the market conditions for certain used aircraft. We retired our Airbus A330 fleet in 2020 as a result of the decline in demand for air travel due to the COVID-19 pandemic.

⁽³⁾ Mark-to-market adjustments on equity investments, net included unrealized gains and losses associated with certain equity investments.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)

3. Earnings (Loss) Per Common Share

The following table provides the computation of basic and diluted earnings (loss) per common share (EPS) (in millions, except share and per share amounts):

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	2023	2022	2023	2022
Basic EPS:				
Net income (loss)	\$ (545)	\$ 483	\$ 803	\$ (676)
Weighted average common shares outstanding (in thousands)	654,119	650,586	653,241	650,145
Basic EPS	<u>\$ (0.83)</u>	<u>\$ 0.74</u>	<u>\$ 1.23</u>	<u>\$ (1.04)</u>
Diluted EPS:				
Net income (loss)	\$ (545)	\$ 483	\$ 803	\$ (676)
Interest expense on 6.50% convertible senior notes	—	14	33	—
Net income (loss) for purposes of computing diluted EPS	<u>\$ (545)</u>	<u>\$ 497</u>	<u>\$ 836</u>	<u>\$ (676)</u>
Share computation for diluted EPS (in thousands):				
Basic weighted average common shares outstanding	654,119	650,586	653,241	650,145
Dilutive effect of restricted stock unit awards	—	1,778	1,677	—
Dilutive effect of certain PSP Warrants and Treasury Loan Warrants	—	1,893	3,310	—
Assumed conversion of 6.50% convertible senior notes	—	61,728	61,728	—
Diluted weighted average common shares outstanding	<u>654,119</u>	<u>715,985</u>	<u>719,956</u>	<u>650,145</u>
Diluted EPS	<u>\$ (0.83)</u>	<u>\$ 0.69</u>	<u>\$ 1.16</u>	<u>\$ (1.04)</u>

The following were excluded from the calculation of diluted EPS because inclusion of such shares would be antidilutive (in thousands):

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	2023	2022	2023	2022
6.50% convertible senior notes	61,728	—	—	61,728
Restricted stock unit awards	3,627	4,490	3,802	5,400

In addition, for the three and nine months ended September 30, 2023 and 2022, excluded from the calculation of diluted EPS because inclusion of such shares would be antidilutive, are certain shares underlying the warrants we issued to the U.S. Department of Treasury (Treasury) pursuant to (i) the payroll support program established under the Coronavirus Aid, Relief, and Economic Security Act (PSP1), (ii) the payroll support program established under the Subtitle A of Title IV of Division N of the Consolidated Appropriations Act, 2021 (PSP2), (iii) the payroll support program established under the American Rescue Plan Act of 2021 (PSP3) (collectively, the PSP Warrants) and (iv) the Loan and Guarantee Agreement with Treasury (Treasury Loan Warrants).

The table below provides a summary of the PSP Warrants and the Treasury Loan Warrants:

Warrants	Warrants Issued (shares, in thousands)	Exercise Price	Expiration
PSP1 Warrants	14,048	\$ 12.51	April 2025 to September 2025
PSP2 Warrants	6,576	15.66	January 2026 to April 2026
PSP3 Warrants	4,407	21.75	April 2026 to June 2026
Treasury Loan Warrants	4,396	12.51	September 2025

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)

4. Revenue Recognition

Revenue

The following are the significant categories comprising our operating revenues (in millions):

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Passenger revenue:				
Passenger travel	\$ 11,473	\$ 11,536	\$ 33,821	\$ 30,150
Loyalty revenue - travel ⁽¹⁾	948	860	2,681	2,288
Total passenger revenue	<u>12,421</u>	<u>12,396</u>	<u>36,502</u>	<u>32,438</u>
Cargo	193	279	613	970
Other:				
Loyalty revenue - marketing services	732	655	2,195	1,991
Other revenue	136	132	416	384
Total other revenue	<u>868</u>	<u>787</u>	<u>2,611</u>	<u>2,375</u>
Total operating revenues	<u>\$ 13,482</u>	<u>\$ 13,462</u>	<u>\$ 39,726</u>	<u>\$ 35,783</u>

⁽¹⁾ Loyalty revenue included in passenger revenue is principally comprised of mileage credit redemptions, which were earned from travel or co-branded credit card and other partners.

The following is our total passenger revenue by geographic region (in millions):

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Domestic	\$ 8,616	\$ 8,786	\$ 25,848	\$ 23,966
Latin America	1,490	1,596	5,045	4,357
Atlantic	2,056	1,901	4,875	3,848
Pacific	259	113	734	267
Total passenger revenue	<u>\$ 12,421</u>	<u>\$ 12,396</u>	<u>\$ 36,502</u>	<u>\$ 32,438</u>

We attribute passenger revenue by geographic region based upon the origin and destination of each flight segment.

Contract Balances

Our significant contract liabilities are comprised of (1) outstanding loyalty program mileage credits that may be redeemed for future travel and non-air travel awards, reported as loyalty program liability on the condensed consolidated balance sheets and (2) ticket sales for transportation that has not yet been provided, reported as air traffic liability on the condensed consolidated balance sheets.

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
	<u>(In millions)</u>	
Loyalty program liability	\$ 9,325	\$ 9,145
Air traffic liability	7,673	6,745
Total	<u>\$ 16,998</u>	<u>\$ 15,890</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
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The balance of the loyalty program liability fluctuates based on seasonal patterns, which impact the volume of mileage credits issued through travel or sold to co-branded credit card and other partners (deferral of revenue) and mileage credits redeemed (recognition of revenue). Changes in loyalty program liability are as follows (in millions):

Balance at December 31, 2022	\$	9,145
Deferral of revenue		2,900
Recognition of revenue ⁽¹⁾		<u>(2,720)</u>
Balance at September 30, 2023 ⁽²⁾	\$	<u>9,325</u>

⁽¹⁾ Principally relates to revenue recognized from the redemption of mileage credits for both air and non-air travel awards. Mileage credits are combined in one homogenous pool and are not separately identifiable. As such, the revenue is comprised of mileage credits that were part of the loyalty program deferred revenue balance at the beginning of the period, as well as mileage credits that were issued during the period.

⁽²⁾ Mileage credits can be redeemed at any time and generally do not expire as long as that AAdvantage member has any type of qualifying activity at least every 24 months or if the AAdvantage member is the primary holder of a co-branded credit card. As of September 30, 2023, our current loyalty program liability was \$3.5 billion and represents our current estimate of revenue expected to be recognized in the next 12 months based on historical trends, with the balance reflected in long-term loyalty program liability expected to be recognized as revenue in periods thereafter.

The air traffic liability principally represents tickets sold for future travel on American and partner airlines. The balance in our air traffic liability also fluctuates with seasonal travel patterns. The contract duration of passenger tickets is one year. Accordingly, any revenue associated with tickets sold for future travel will be recognized within 12 months. For the nine months ended September 30, 2023, \$5.2 billion of revenue was recognized in passenger revenue that was included in our air traffic liability at December 31, 2022. Substantially all tickets issued in 2022 and thereafter are no longer subject to change fees which provides more flexibility for customers to change travel plans. Given this new flexibility offered to our customers, our estimate of revenue that will be recognized from the air traffic liability for future flown or unused tickets may be subject to variability and differ from historical experience.

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5. Debt

Long-term debt included in the condensed consolidated balance sheets consisted of (in millions):

	September 30, 2023	December 31, 2022
<i>Secured</i>		
2013 Term Loan Facility, variable interest rate of 8.59%, installments through February 2028	\$ 990	\$ 1,752
2014 Term Loan Facility, variable interest rate of 7.32%, installments through January 2027	1,183	1,196
11.75% senior secured notes, interest only payments until due in July 2025	1,961	2,500
10.75% senior secured IP notes, interest only payments until due in February 2026	1,000	1,000
10.75% senior secured LGA/DCA notes, interest only payments until due in February 2026	200	200
7.25% senior secured notes, interest only payments until due in February 2028	750	—
5.50% senior secured notes, installments through April 2026 ⁽¹⁾	3,209	3,500
5.75% senior secured notes, installments beginning in July 2026 until due in April 2029 ⁽¹⁾	3,000	3,000
AAdvantage Term Loan Facility, variable interest rate of 10.34%, installments through April 2028 ⁽¹⁾	3,325	3,500
Enhanced equipment trust certificates (EETCs), fixed interest rates ranging from 2.88% to 7.13%, averaging 3.65%, maturing from 2023 to 2034	8,005	9,175
Equipment loans and other notes payable, fixed and variable interest rates ranging from 2.55% to 8.92%, averaging 6.91%, maturing from 2023 to 2035	3,454	3,170
Special facility revenue bonds, fixed interest rates ranging from 2.25% to 5.38%, maturing from 2026 to 2036	967	1,050
	<u>28,044</u>	<u>30,043</u>
<i>Unsecured</i>		
PSP1 Promissory Note, interest only payments until due in April 2030	1,757	1,757
PSP2 Promissory Note, interest only payments until due in January 2031	1,030	1,030
PSP3 Promissory Note, interest only payments until due in April 2031	959	959
6.50% convertible senior notes, interest only payments until due in July 2025	1,000	1,000
3.75% senior notes, interest only payments until due in March 2025	487	500
	<u>5,233</u>	<u>5,246</u>
Total long-term debt	33,277	35,289
Less: Total unamortized debt discount, premium and issuance costs	362	386
Less: Current maturities	3,607	3,059
Long-term debt, net of current maturities	<u>\$ 29,308</u>	<u>\$ 31,844</u>

⁽¹⁾ Collectively referred to as the AAdvantage Financing.

As of September 30, 2023, the maximum availability under our revolving credit and other facilities is as follows (in millions):

2013 Revolving Facility	\$ 736
2014 Revolving Facility	1,631
April 2016 Revolving Facility	446
Other short-term facility	55
Total	<u>\$ 2,868</u>

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American currently has \$55 million of available borrowing base under a cargo receivables facility that is set to expire in December 2023. As a result of the below amendments to the 2013, 2014 and April 2016 Revolving Facilities, the aggregate commitments under these facilities will be \$2.8 billion through October 11, 2024, and thereafter through October 13, 2026, such aggregate commitments will decrease to \$2.2 billion.

Secured financings, including revolving credit and other facilities, are collateralized by assets, consisting primarily of aircraft, engines, simulators, aircraft spare parts, airport gate leasehold rights, route authorities, airport slots, certain receivables, certain intellectual property and certain loyalty program assets.

6.50% Convertible Senior Notes

At September 30, 2023, the if-converted value of the 6.50% convertible senior notes due 2025 (the Convertible Notes) did not exceed the principal amount. The last reported sale price per share of our common stock (as defined in the indenture governing our Convertible Notes, the Convertible Notes Indenture) did not exceed 130% of the conversion price of the Convertible Notes for at least 20 of the 30 consecutive trading days ending on September 30, 2023. Accordingly, pursuant to the terms of the Convertible Notes Indenture, the holders of the Convertible Notes cannot convert at their option at any time during the quarter ending December 31, 2023. Each \$1,000 principal amount of Convertible Notes is convertible at a rate of 61.7284 shares of our common stock, subject to adjustment as provided in the Convertible Notes Indenture. We may settle conversions by paying or delivering, as applicable, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election.

2023 Financing Activities

2013 Credit Facilities

In February 2023, American and AAG refinanced approximately \$1.8 billion in aggregate principal amount of term loans outstanding under the 2013 Term Loan Facility (the 2013 Term Loan Facility Refinancing) through the combination of (i) the issuance of \$750 million in aggregate principal amount of 7.25% senior secured notes due 2028 and (ii) the entry into the Seventh Amendment to the 2013 Credit Agreement, pursuant to which the maturity of \$1.0 billion in term loans under the 2013 Term Loan Facility was extended to February 2028 from June 2025. The Seventh Amendment also amended certain other terms of the 2013 Credit Agreement, including the interest rate and amortization schedule for the 2013 Term Loan Facility, the requirements for delivery of appraisals and certain covenants relating to dispositions of collateral. Additionally, the Seventh Amendment transitioned the benchmark interest rate from the London Interbank Offered Rate (LIBOR) to the Secured Overnight Financing Rate (SOFR). As a result, the 2013 Term Loan Facility bears interest at a base rate (subject to a floor of 1.00%) plus an applicable margin of 1.75% or, at American's option, the SOFR rate for a tenor of one, three or six months, depending on the interest period selected by American (subject to a floor of 0.00%), plus the SOFR adjustment applicable to such interest period and an applicable margin of 2.75%.

In March 2023, American and AAG entered into the Eighth Amendment to the 2013 Credit Agreement, pursuant to which American extended the maturity of certain commitments under the 2013 Revolving Facility. The Eighth Amendment also amended certain other terms of the 2013 Credit Agreement, including certain covenants and transitioned the benchmark interest rate from LIBOR to SOFR. The 2013 Revolving Facility bears interest at a base rate (subject to a floor of 1.00%) plus an applicable margin of 2.25%, 2.50% or 2.75%, depending on AAG's public corporate rating, or, at American's option, the SOFR rate for a tenor of one, three or six months, depending on the interest period selected by American (subject to a floor of 0.00%), plus the SOFR adjustment applicable to such interest period plus an applicable margin of 3.25%, 3.50% or 3.75%, depending on AAG's public corporate rating. Additionally, as a result of the Eighth Amendment, through October 11, 2024, the aggregate commitments under the 2013 Revolving Facility will be \$736 million, and thereafter through October 13, 2026, such aggregate commitments will decrease to \$563 million.

7.25% Senior Secured Notes

On February 15, 2023, as part of the 2013 Term Loan Facility Refinancing, American issued \$750 million aggregate principal amount of 7.25% senior secured notes due 2028 (the 7.25% Senior Secured Notes) in a private offering. The 7.25% Senior Secured Notes were issued at par and bear interest at a rate of 7.25% per annum (subject to increase if the collateral coverage ratio described below is not met). Interest on the 7.25% Senior Secured Notes is payable semiannually in arrears on February 15 and August 15 of each year, which began on August 15, 2023. The 7.25% Senior Secured Notes will mature on February 15, 2028. The obligations of American under the 7.25% Senior Secured Notes are fully and unconditionally guaranteed on a senior unsecured basis by AAG. American used the proceeds from the offering of the 7.25% Senior Secured Notes, together with cash on hand, to repay a portion of the term loans then outstanding under the 2013 Term Loan Facility and to pay related fees and expenses.

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The 7.25% Senior Secured Notes were issued pursuant to an indenture, dated as of February 15, 2023 (the 7.25% Senior Secured Notes Indenture), by and among American, AAG and Wilmington Trust, National Association, as trustee and collateral agent. The 7.25% Senior Secured Notes are American's senior secured obligations and are secured on a first lien basis by security interests in certain assets, rights and properties that American uses to provide non-stop scheduled air carrier services between (a) certain airports in the United States and (b) airports in countries in South America (which comprises Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay and Venezuela but does not include territories subject to the sovereignty, control or jurisdiction of a country not otherwise listed herein) and New Zealand (collectively, the 7.25% Senior Secured Notes Collateral). The 7.25% Senior Secured Notes Collateral also secures, on a first lien, pari passu basis with the 7.25% Senior Secured Notes, the 2013 Credit Facilities under the 2013 Credit Agreement.

American may redeem the 7.25% Senior Secured Notes, in whole at any time or in part from time to time prior to February 15, 2025, at a redemption price equal to 100% of the principal amount of the 7.25% Senior Secured Notes to be redeemed, plus a "make-whole" premium, plus any accrued and unpaid interest thereon to but excluding the date of redemption. At any time on or after February 15, 2025, American may redeem all or any of the 7.25% Senior Secured Notes in whole at any time, or in part from time to time, at the redemption prices described in the 7.25% Senior Secured Notes Indenture, plus any accrued and unpaid interest thereon to but excluding the date of redemption. In addition, at any time prior to February 15, 2025, American may redeem up to 40% of the original aggregate principal amount of the 7.25% Senior Secured Notes (calculated after giving effect to any issuance of additional notes) with the net cash proceeds of certain equity offerings, at a redemption price equal to 107.250% of the aggregate principal amount of the 7.25% Senior Secured Notes to be redeemed, plus any accrued and unpaid interest thereon to but excluding the date of redemption.

Further, if certain change of control transactions occur, each holder of 7.25% Senior Secured Notes may require American to repurchase the 7.25% Senior Secured Notes in whole or in part at a repurchase price of 101% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to but not including the repurchase date.

Twice per year, American is required to deliver an appraisal of the 7.25% Senior Secured Notes Collateral and an officer's certificate demonstrating the calculation of a collateral coverage ratio in relation to the 7.25% Senior Secured Notes Collateral (the 7.25% Senior Secured Notes Collateral Coverage Ratio) as of the date of delivery of the appraisal for the applicable period. If the 7.25% Senior Secured Notes Collateral Coverage Ratio is less than 1.6 to 1.0 as of the date of delivery of the appraisal for the applicable period, then, subject to a cure period in which additional collateral can be provided or debt repaid such that American meets the required 7.25% Senior Secured Notes Collateral Coverage Ratio, American will be required to pay special interest in an additional amount equal to 2.0% per annum of the principal amount of the 7.25% Senior Secured Notes until the 7.25% Senior Secured Notes Collateral Coverage Ratio is established to be at least 1.6 to 1.0.

2014 Credit Facilities

In March 2023, American and AAG entered into the Ninth Amendment to the 2014 Credit Agreement, pursuant to which American extended the maturity of certain commitments under the 2014 Revolving Facility. The Ninth Amendment also amended certain other terms of the 2014 Credit Agreement including the requirements for delivery of appraisals and certain other covenants and transitioned the benchmark interest rate for the 2014 Revolving Facility and the 2014 Term Loan Facility from LIBOR to SOFR. The 2014 Revolving Facility bears interest at the same base rate and applicable margin as the 2013 Revolving Facility, as noted above in "2013 Credit Facilities." The 2014 Term Loan Facility bears interest at a base rate (subject to a floor of 1.00%) plus an applicable margin of 1.75% or, at American's option, the SOFR rate for a tenor of one, three or six months, depending on the interest period selected by American (subject to a floor of 0.00%), plus the SOFR adjustment applicable to such interest period plus an applicable margin of 0.75%. Additionally, as a result of the Ninth Amendment, through October 11, 2024, the aggregate commitments under the 2014 Revolving Facility will be \$1.6 billion, and thereafter through October 13, 2026, such aggregate commitments will decrease to \$1.2 billion.

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April 2016 Revolving Facility

In March 2023, American and AAG entered into the Sixth Amendment to the April 2016 Credit Agreement, pursuant to which American extended the maturity of certain commitments under the April 2016 Revolving Facility. The Sixth Amendment also amended certain other terms under the April 2016 Credit Agreement including the requirements for delivery of appraisals and certain other covenants and transitioned the benchmark interest rate for the April 2016 Revolving Facility from LIBOR to SOFR. The April 2016 Revolving Facility bears interest at the same base rate and applicable margin as the 2013 Revolving Facility, as noted above in "2013 Credit Facilities." Additionally, as a result of the Sixth Amendment, through October 11, 2024, the aggregate commitments under the April 2016 Revolving Facility will be \$446 million, and thereafter through October 13, 2026, such aggregate commitments will decrease to \$342 million.

AAdvantage Term Loan Facility

In June 2023, American and AAdvantage Loyalty IP Ltd. entered into the First Amendment to the AAdvantage Term Loan Facility pursuant to which the benchmark interest rate transitioned from LIBOR to SOFR, effective July 1, 2023. As a result, the AAdvantage Term Loan Facility bears interest at a base rate (subject to a floor of 0.00%) plus an applicable margin of 3.75% or, at American's option, the SOFR rate for a tenor of three months (subject to a floor of 0.75%), plus a 0.26161% credit spread adjustment and an applicable margin of 4.75%. Other than the foregoing, the terms of the AAdvantage Term Loan Facility remain substantially unchanged.

Equipment Loans and Other Notes Payable Issued in 2023

During the first nine months of 2023, American entered into agreements under which it borrowed \$663 million in connection with the financing of certain aircraft. Debt incurred under these agreements matures in 2032 through 2035 and bears interest at fixed and variable rates (comprised of SOFR plus an applicable margin) averaging 6.90% as of September 30, 2023.

Other Financing Activities

During the first nine months of 2023, we repurchased \$552 million of secured and unsecured notes in the open market.

6. Income Taxes

At December 31, 2022, we had approximately \$16.2 billion of gross federal net operating losses (NOLs) and \$4.3 billion of other carryforwards available to reduce future federal taxable income, of which \$5.9 billion will expire beginning in 2025 if unused and \$14.6 billion can be carried forward indefinitely. We also had approximately \$6.0 billion of NOL carryforwards to reduce future state taxable income at December 31, 2022, which will expire in taxable years 2022 through 2042 if unused.

Our ability to use our NOLs and other carryforwards depends on the amount of taxable income generated in future periods. We provide a valuation allowance for our deferred tax assets, which include our NOLs, when it is more likely than not that some portion, or all of our deferred tax assets, will not be realized. We consider all available positive and negative evidence and make certain assumptions in evaluating the realizability of our deferred tax assets. Many factors are considered that impact our assessment of future profitability, including conditions which are beyond our control, such as the health of the economy, the availability and price volatility of aircraft fuel and travel demand. We have determined that positive factors outweigh negative factors in the determination of the realizability of our deferred tax assets. There can be no assurance that an additional valuation allowance on our net deferred tax assets will not be required. Such valuation allowance could be material.

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7. Fair Value Measurements
Assets Measured at Fair Value on a Recurring Basis

We utilize the market approach to measure the fair value of our financial assets. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. Our short-term investments, restricted cash and restricted short-term investments classified as Level 2 utilize significant observable inputs, other than quoted prices in active markets, for valuation of these securities. No changes in valuation techniques or inputs occurred during the nine months ended September 30, 2023.

Assets measured at fair value on a recurring basis are summarized below (in millions):

	Fair Value Measurements as of September 30, 2023			
	Total	Level 1	Level 2	Level 3
Short-term investments ^{(1), (2)} :				
Money market funds	\$ 444	\$ 444	\$ —	\$ —
Corporate obligations	5,880	—	5,880	—
Bank notes/certificates of deposit/time deposits	3,131	—	3,131	—
Repurchase agreements	550	—	550	—
	10,005	444	9,561	—
Restricted cash and short-term investments ^{(1), (3)}	925	480	445	—
Long-term investments ⁽⁴⁾	174	174	—	—
Total	\$ 11,104	\$ 1,098	\$ 10,006	\$ —

⁽¹⁾ All short-term investments are classified as available-for-sale and stated at fair value. Unrealized gains and losses are recorded in accumulated other comprehensive loss at each reporting period. There were no credit losses.

⁽²⁾ Our short-term investments mature in one year or less.

⁽³⁾ Restricted cash and short-term investments primarily include collateral held to support workers' compensation obligations and collateral associated with the payment of interest for the AAdvantage Financing.

⁽⁴⁾ Long-term investments include our equity investments in China Southern Airlines Company Limited (China Southern Airlines), GOL Linhas Aéreas Inteligentes S.A. (GOL) and Vertical Aerospace Ltd. (Vertical). See Note 8 for further information on our equity investments.

Fair Value of Debt

The fair value of our long-term debt was estimated using quoted market prices or discounted cash flow analyses based on our current estimated incremental borrowing rates for similar types of borrowing arrangements. If our long-term debt was measured at fair value, it would have been classified as Level 2 except for \$3.7 billion as of September 30, 2023 and December 31, 2022, which would have been classified as Level 3 in the fair value hierarchy. The fair value of the Convertible Notes, which would have been classified as Level 2, was \$1.1 billion as of September 30, 2023 and December 31, 2022.

The carrying value and estimated fair value of our long-term debt, including current maturities, were as follows (in millions):

	September 30, 2023		December 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including current maturities	\$ 32,915	\$ 32,320	\$ 34,903	\$ 32,569

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8. Investments

To help expand our network and as part of our ongoing commitment to sustainability, we enter into various commercial relationships or other strategic partnerships, including equity investments, with other airlines and companies. Our equity investments are reflected in other assets on our condensed consolidated balance sheets. Our share of equity method investees' financial results and changes in fair value are recorded in nonoperating other income (expense), net on the condensed consolidated statements of operations.

Our equity investment ownership interests and carrying values are as follows:

	Accounting Treatment	Ownership Interest		Carrying Value (in millions)	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Republic Airways Holdings Inc.	Equity Method	25.0 %	25.0 %	\$ 237	\$ 222
China Southern Airlines	Fair Value	1.5 %	1.5 %	132	176
Other investments ⁽¹⁾	Various			184	212
Total				\$ 553	\$ 610

⁽¹⁾ Primarily includes our investment in JetSMART Holdings Limited, which is accounted for under the equity method, and our investments in GOL and Vertical, which are each accounted for at fair value.

9. Employee Benefit Plans

The following table provides the components of net periodic benefit cost (income) (in millions):

Three Months Ended September 30,	Pension Benefits		Retiree Medical and Other Postretirement Benefits	
	2023	2022	2023	2022
Service cost	\$ 1	\$ 1	\$ 4	\$ 3
Interest cost	188	140	12	7
Expected return on assets	(230)	(284)	(2)	(3)
Amortization of:				
Prior service cost (benefit)	4	7	(3)	(3)
Unrecognized net loss (gain)	25	39	(10)	(6)
Net periodic benefit cost (income)	\$ (12)	\$ (97)	\$ 1	\$ (2)

Nine Months Ended September 30,	Pension Benefits		Retiree Medical and Other Postretirement Benefits	
	2023	2022	2023	2022
Service cost	\$ 2	\$ 3	\$ 10	\$ 11
Interest cost	568	416	36	22
Expected return on assets	(690)	(853)	(7)	(9)
Amortization of:				
Prior service cost (benefit)	18	21	(10)	(10)
Unrecognized net loss (gain)	80	117	(27)	(19)
Net periodic benefit cost (income)	\$ (22)	\$ (296)	\$ 2	\$ (5)

Effective November 1, 2012, substantially all of our defined benefit pension plans were frozen.

The service cost component of net periodic benefit cost (income) is included in operating expenses and the other components of net periodic benefit cost (income) are included in nonoperating other income (expense), net in the condensed consolidated statements of operations.

As of September 30, 2023, we remeasured our retiree medical and other postretirement benefits to account for enhanced retirement benefits provided to our mainline pilots pursuant to the new collective bargaining agreement ratified in August 2023. As a result, we increased our postretirement benefits obligation by \$339 million, which was included as a component of prior service cost in accumulated other comprehensive loss.

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During the first nine months of 2023, we made required contributions of \$68 million to our defined benefit pension plans.

10. Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss (AOCI) are as follows (in millions):

	Pension, Retiree Medical and Other Postretirement Benefits	Unrealized Gain (Loss) on Investments	Income Tax Benefit (Provision) ⁽¹⁾	Total
Balance at December 31, 2022	\$ (2,978)	\$ (6)	\$ (1,601)	\$ (4,585)
Other comprehensive income (loss) before reclassifications	(324)	1	73	(250)
Amounts reclassified from AOCI	61	—	(14) ⁽²⁾	47
Net current-period other comprehensive income (loss)	(263)	1	59	(203)
Balance at September 30, 2023	<u>\$ (3,241)</u>	<u>\$ (5)</u>	<u>\$ (1,542)</u>	<u>\$ (4,788)</u>

⁽¹⁾ Relates principally to pension, retiree medical and other postretirement benefits obligations that will not be recognized in net income (loss) until the obligations are fully extinguished.

⁽²⁾ Relates to pension, retiree medical and other postretirement benefits obligations and is recognized within the income tax provision (benefit) on the condensed consolidated statements of operations.

Reclassifications out of AOCI are as follows (in millions):

AOCI Components	Amounts reclassified from AOCI				Affected line items on the condensed consolidated statements of operations
	Three Months Ended September 30,		Nine Months Ended September 30,		
	2023	2022	2023	2022	
Amortization of pension, retiree medical and other postretirement benefits:					
Prior service cost	\$ 1	\$ 3	\$ 6	\$ 9	Nonoperating other income (expense), net
Actuarial loss	12	26	41	76	Nonoperating other income (expense), net
Total reclassifications for the period, net of tax	<u>\$ 13</u>	<u>\$ 29</u>	<u>\$ 47</u>	<u>\$ 85</u>	

11. Regional Expenses

Our regional carriers provide scheduled air transportation under the brand name "American Eagle." The American Eagle carriers include our wholly-owned regional carriers as well as third-party regional carriers. Our regional carrier arrangements are in the form of capacity purchase agreements. Expenses associated with American Eagle operations are classified as regional expenses on the condensed consolidated statements of operations.

Regional expenses for the three months ended September 30, 2023 and 2022 include \$79 million and \$81 million of depreciation and amortization, respectively, and \$2 million and \$1 million of aircraft rent, respectively. Regional expenses for the nine months ended September 30, 2023 and 2022 include \$239 million and \$240 million of depreciation and amortization, respectively, and \$5 million and \$4 million of aircraft rent, respectively.

During the three months ended September 30, 2023 and 2022, we recognized \$153 million and \$152 million, respectively, of expense under our capacity purchase agreement with Republic Airways Inc. (Republic). During the nine months ended September 30, 2023 and 2022, we recognized \$489 million and \$462 million, respectively, of expense under our capacity purchase agreement with Republic. We hold a 25% equity interest in Republic Airways Holdings Inc., the parent company of Republic.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)**

12. Legal Proceedings

Government Antitrust Action Related to the Northeast Alliance. On September 21, 2021, the United States Department of Justice, joined by Attorneys General from six states and the District of Columbia, filed an antitrust complaint against American and JetBlue Airways Corporation (JetBlue) in the U.S. District Court for the District of Massachusetts alleging that American and JetBlue violated U.S. antitrust law in connection with the previously disclosed Northeast Alliance arrangement (NEA). The parties presented their respective cases in a bench trial that commenced on September 27, 2022. The parties presented closing arguments on November 18, 2022.

On May 19, 2023, the U.S. District Court for the District of Massachusetts issued an order permanently enjoining American and JetBlue from continuing and further implementing the NEA. Following written submissions by the parties and a hearing on July 26, 2023, the U.S. District Court for the District of Massachusetts entered a Final Judgment and Order Entering Permanent Injunction on July 28, 2023. The parties have complied and will continue to comply with the terms of the Final Judgment and Order Entering Permanent Injunction, including winding down activities related to the NEA. American filed a notice of appeal to the U.S. Court of Appeals for the First Circuit on September 25, 2023.

Private Party Antitrust Actions Related to the Northeast Alliance. On December 5, 2022 and December 7, 2022, two private party plaintiffs filed putative class action antitrust complaints against American and JetBlue in the U.S. District Court for the Eastern District of New York alleging that American and JetBlue violated U.S. antitrust law in connection with the previously disclosed NEA. These actions were consolidated on January 10, 2023. The private party plaintiffs filed an amended consolidated complaint on February 3, 2023. On February 2, 2023 and February 15, 2023, private party plaintiffs filed two additional putative class action antitrust complaints against American and JetBlue in the U.S. District Court for the District of Massachusetts and the U.S. District Court for the Eastern District of New York, respectively. In March 2023, American filed a motion in the U.S. District Court for the District of Massachusetts case asking to transfer the case to the U.S. District Court for the Eastern District of New York and consolidate it with the cases pending in that venue. The U.S. District Court for the District of Massachusetts granted that motion. The remaining cases were consolidated with the other actions in the Eastern District of New York. In June 2023, the private party plaintiffs filed a second amended consolidated complaint, followed by a third amended complaint filed in August 2023. In September 2023, American, together with JetBlue, filed a motion to dismiss the third amended complaint, and that motion remains pending. We believe these lawsuits are without merit and are defending against them vigorously.

General. In addition to the specifically identified legal proceedings, we and our subsidiaries are also engaged in other legal proceedings from time to time. Legal proceedings can be complex and take many months, or even years, to reach resolution, with the final outcome depending on a number of variables, some of which are not within our control. Therefore, although we will vigorously defend ourselves in each of the actions described above and such other legal proceedings, their ultimate resolution and potential financial and other impacts on us are uncertain but could be material.

ITEM 1B. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.

AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions)(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating revenues:				
Passenger	\$ 12,421	\$ 12,396	\$ 36,502	\$ 32,438
Cargo	193	279	613	970
Other	867	786	2,608	2,370
Total operating revenues	<u>13,481</u>	<u>13,461</u>	<u>39,723</u>	<u>35,778</u>
Operating expenses:				
Aircraft fuel and related taxes	3,209	3,847	9,098	10,369
Salaries, wages and benefits	3,972	3,382	10,885	9,768
Regional expenses	1,149	1,172	3,442	3,253
Maintenance, materials and repairs	870	685	2,389	1,949
Other rent and landing fees	745	710	2,214	2,081
Aircraft rent	342	347	1,031	1,045
Selling expenses	430	495	1,357	1,331
Depreciation and amortization	484	488	1,449	1,480
Special items, net	949	37	962	189
Other	1,533	1,363	4,488	4,039
Total operating expenses	<u>13,683</u>	<u>12,526</u>	<u>37,315</u>	<u>35,504</u>
Operating income (loss)	<u>(202)</u>	<u>935</u>	<u>2,408</u>	<u>274</u>
Nonoperating income (expense):				
Interest income	297	111	810	162
Interest expense, net	(555)	(482)	(1,668)	(1,342)
Other income (expense), net	(99)	156	(119)	274
Total nonoperating expense, net	<u>(357)</u>	<u>(215)</u>	<u>(977)</u>	<u>(906)</u>
Income (loss) before income taxes	<u>(559)</u>	<u>720</u>	<u>1,431</u>	<u>(632)</u>
Income tax provision (benefit)	(107)	180	375	(115)
Net income (loss)	<u>\$ (452)</u>	<u>\$ 540</u>	<u>\$ 1,056</u>	<u>\$ (517)</u>

See accompanying notes to condensed consolidated financial statements.

AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions)(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss)	\$ (452)	\$ 540	\$ 1,056	\$ (517)
Other comprehensive income (loss), net of tax:				
Pension, retiree medical and other postretirement benefits	(237)	29	(203)	85
Investments	(1)	(1)	—	(5)
Total other comprehensive income (loss), net of tax	(238)	28	(203)	80
Total comprehensive income (loss)	\$ (690)	\$ 568	\$ 853	\$ (437)

See accompanying notes to condensed consolidated financial statements.

AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except share and par value amounts)

	September 30, 2023 (Unaudited)	December 31, 2022
ASSETS		
Current assets		
Cash	\$ 567	\$ 429
Short-term investments	10,002	8,523
Restricted cash and short-term investments	925	995
Accounts receivable, net	2,000	2,117
Receivables from related parties, net	6,939	6,588
Aircraft fuel, spare parts and supplies, net	2,332	2,157
Prepaid expenses and other	623	798
Total current assets	23,388	21,607
Operating property and equipment		
Flight equipment	40,582	39,359
Ground property and equipment	9,707	9,479
Equipment purchase deposits	799	613
Total property and equipment, at cost	51,088	49,451
Less accumulated depreciation and amortization	(21,073)	(19,569)
Total property and equipment, net	30,015	29,882
Operating lease right-of-use assets	7,824	8,033
Other assets		
Goodwill	4,091	4,091
Intangibles, net of accumulated amortization of \$831 and \$827, respectively	2,053	2,059
Deferred tax asset	2,581	2,893
Other assets	1,658	1,759
Total other assets	10,383	10,802
Total assets	\$ 71,610	\$ 70,324
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Current maturities of long-term debt and finance leases	\$ 3,760	\$ 3,267
Accounts payable	2,018	2,071
Accrued salaries and wages	3,063	1,529
Air traffic liability	7,673	6,745
Loyalty program liability	3,491	3,169
Operating lease liabilities	1,371	1,449
Other accrued liabilities	2,571	2,852
Total current liabilities	23,947	21,082
Noncurrent liabilities		
Long-term debt and finance leases, net of current maturities	24,502	27,155
Pension and postretirement benefits	2,904	2,811
Loyalty program liability	5,834	5,976
Operating lease liabilities	6,290	6,512
Other liabilities	1,608	1,195
Total noncurrent liabilities	41,138	43,649
Commitments and contingencies		
Stockholder's equity		
Common stock, \$1.00 par value; 1,000 shares authorized, issued and outstanding	—	—
Additional paid-in capital	17,309	17,230
Accumulated other comprehensive loss	(4,893)	(4,690)
Retained deficit	(5,891)	(6,947)
Total stockholder's equity	6,525	5,593
Total liabilities and stockholder's equity	\$ 71,610	\$ 70,324

See accompanying notes to condensed consolidated financial statements.

AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)(Unaudited)

	Nine Months Ended September 30,	
	2023	2022
Net cash provided by operating activities	\$ 5,081	\$ 1,515
Cash flows from investing activities:		
Capital expenditures and aircraft purchase deposits	(1,718)	(1,818)
Proceeds from sale-leaseback transactions and sale of property and equipment	219	83
Purchases of short-term investments	(8,322)	(12,113)
Sales of short-term investments	6,857	13,412
Decrease in restricted short-term investments	39	41
Purchase of equity investments	—	(205)
Other investing activities	300	(274)
Net cash used in investing activities	(2,625)	(874)
Cash flows from financing activities:		
Payments on long-term debt and finance leases	(4,604)	(1,279)
Proceeds from issuance of long-term debt	2,324	699
Other financing activities	(74)	10
Net cash used in financing activities	(2,354)	(570)
Net increase in cash and restricted cash	102	71
Cash and restricted cash at beginning of period	575	400
Cash and restricted cash at end of period ⁽¹⁾	\$ 677	\$ 471
Non-cash transactions:		
Right-of-use (ROU) assets acquired through operating leases	\$ 742	\$ 804
Property and equipment acquired through debt	55	—
Property and equipment acquired through finance leases	34	121
Finance leases converted to operating leases	27	4
Operating leases converted to finance leases	—	42
Equity investments	—	12
Supplemental information:		
Interest paid, net	1,589	1,342
Income taxes paid	4	2

⁽¹⁾ The following table provides a reconciliation of cash and restricted cash to amounts reported within the condensed consolidated balance sheets:

Cash	\$ 567	\$ 327
Restricted cash included in restricted cash and short-term investments	110	144
Total cash and restricted cash	\$ 677	\$ 471

See accompanying notes to condensed consolidated financial statements.

AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY
(In millions)(Unaudited)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Total
Balance at December 31, 2022	\$ —	\$ 17,230	\$ (4,690)	\$ (6,947)	\$ 5,593
Net income	—	—	—	85	85
Other comprehensive income, net	—	—	18	—	18
Share-based compensation expense	—	14	—	—	14
Balance at March 31, 2023	—	17,244	(4,672)	(6,862)	5,710
Net income	—	—	—	1,423	1,423
Other comprehensive income, net	—	—	17	—	17
Share-based compensation expense	—	32	—	—	32
Balance at June 30, 2023	—	17,276	(4,655)	(5,439)	7,182
Net loss	—	—	—	(452)	(452)
Other comprehensive loss, net	—	—	(238)	—	(238)
Share-based compensation expense	—	28	—	—	28
Intercompany equity transfer	—	5	—	—	5
Balance at September 30, 2023	\$ —	\$ 17,309	\$ (4,893)	\$ (5,891)	\$ 6,525

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Total
Balance at December 31, 2021	\$ —	\$ 17,152	\$ (6,041)	\$ (7,285)	\$ 3,826
Net loss	—	—	—	(1,578)	(1,578)
Other comprehensive income, net	—	—	26	—	26
Share-based compensation expense	—	23	—	—	23
Balance at March 31, 2022	—	17,175	(6,015)	(8,863)	2,297
Net income	—	—	—	521	521
Other comprehensive income, net	—	—	26	—	26
Share-based compensation expense	—	18	—	—	18
Balance at June 30, 2022	—	17,193	(5,989)	(8,342)	2,862
Net income	—	—	—	540	540
Other comprehensive income, net	—	—	28	—	28
Share-based compensation expense	—	18	—	—	18
Balance at September 30, 2022	\$ —	\$ 17,211	\$ (5,961)	\$ (7,802)	\$ 3,448

See accompanying notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
(Unaudited)

1. Basis of Presentation

(a) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of American Airlines, Inc. (American) should be read in conjunction with the consolidated financial statements contained in American's Annual Report on Form 10-K for the year ended December 31, 2022. American is the principal wholly-owned subsidiary of American Airlines Group Inc. (AAG). All significant intercompany transactions have been eliminated.

Management believes that all adjustments necessary for the fair presentation of results, consisting of normally recurring items, have been included in the unaudited condensed consolidated financial statements for the interim periods presented. The preparation of financial statements in accordance with accounting principles generally accepted in the United States (GAAP) requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. The most significant areas of judgment relate to passenger revenue recognition, the loyalty program, deferred tax assets, as well as pension and retiree medical and other postretirement benefits.

(b) Labor Relations

In May 2023, American and the Allied Pilots Association, the union representing American's mainline pilots, reached an agreement in principle on a new collective bargaining agreement, which was ratified in August 2023. This four-year agreement provides wage rate increases, including an initial wage rate increase of 21% effective as of January 1, 2023, quality-of-life benefits and other benefit-related items. The additional compensation for the 2023 period prior to contract ratification as a result of the higher wage rates was recorded within salaries, wages and benefits in the condensed consolidated statements of operations in the second and third quarters of 2023. The agreement also included a provision for a one-time payment upon ratification. During the third quarter of 2023, one-time charges resulting from the ratification of this new agreement were recorded as mainline operating special items, net in the condensed consolidated statement of operations, including the one-time payment of \$754 million as well as adjustments to other benefit-related items of \$229 million. The one-time payment and the additional compensation was principally paid in October 2023, with remaining payments expected to be paid in the first quarter of 2024.

2. Special Items, Net

Special items, net in the condensed consolidated statements of operations consisted of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Labor contract expenses ⁽¹⁾	\$ 983	\$ —	\$ 983	\$ —
Severance expenses	—	—	21	—
Fleet impairment ⁽²⁾	—	—	—	149
Litigation reserve adjustments	—	37	—	37
Other operating special items, net	(34)	—	(42)	3
Mainline operating special items, net	949	37	962	189
Debt refinancing and extinguishment	42	—	76	—
Mark-to-market adjustments on equity investments, net ⁽³⁾	59	(57)	70	32
Nonoperating special items, net	101	(57)	146	32
Income tax special items, net	—	—	—	(9)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
(Unaudited)

- (1) Labor contract expenses relate to one-time charges resulting from the ratification of a new collective bargaining agreement with American's mainline pilots, including a one-time payment of \$754 million as well as adjustments to other benefit-related items of \$229 million.
- (2) Fleet impairment included a non-cash impairment charge to write down the carrying value of American's retired Airbus A330 fleet to the estimated fair value due to the market conditions for certain used aircraft. American retired its Airbus A330 fleet in 2020 as a result of the decline in demand for air travel due to the COVID-19 pandemic.
- (3) Mark-to-market adjustments on equity investments, net included unrealized gains and losses associated with certain equity investments.

3. Revenue Recognition

Revenue

The following are the significant categories comprising American's operating revenues (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Passenger revenue:				
Passenger travel	\$ 11,473	\$ 11,536	\$ 33,821	\$ 30,150
Loyalty revenue - travel ⁽¹⁾	948	860	2,681	2,288
Total passenger revenue	12,421	12,396	36,502	32,438
Cargo	193	279	613	970
Other:				
Loyalty revenue - marketing services	732	655	2,195	1,991
Other revenue	135	131	413	379
Total other revenue	867	786	2,608	2,370
Total operating revenues	<u>\$ 13,481</u>	<u>\$ 13,461</u>	<u>\$ 39,723</u>	<u>\$ 35,778</u>

- (1) Loyalty revenue included in passenger revenue is principally comprised of mileage credit redemptions, which were earned from travel or co-branded credit card and other partners.

The following is American's total passenger revenue by geographic region (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Domestic	\$ 8,616	\$ 8,786	\$ 25,848	\$ 23,966
Latin America	1,490	1,596	5,045	4,357
Atlantic	2,056	1,901	4,875	3,848
Pacific	259	113	734	267
Total passenger revenue	<u>\$ 12,421</u>	<u>\$ 12,396</u>	<u>\$ 36,502</u>	<u>\$ 32,438</u>

American attributes passenger revenue by geographic region based upon the origin and destination of each flight segment.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
(Unaudited)

Contract Balances

American's significant contract liabilities are comprised of (1) outstanding loyalty program mileage credits that may be redeemed for future travel and non-air travel awards, reported as loyalty program liability on the condensed consolidated balance sheets and (2) ticket sales for transportation that has not yet been provided, reported as air traffic liability on the condensed consolidated balance sheets.

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
	(In millions)	
Loyalty program liability	\$ 9,325	\$ 9,145
Air traffic liability	7,673	6,745
Total	\$ 16,998	\$ 15,890

The balance of the loyalty program liability fluctuates based on seasonal patterns, which impact the volume of mileage credits issued through travel or sold to co-branded credit card and other partners (deferral of revenue) and mileage credits redeemed (recognition of revenue). Changes in loyalty program liability are as follows (in millions):

Balance at December 31, 2022	\$ 9,145
Deferral of revenue	2,900
Recognition of revenue ⁽¹⁾	(2,720)
Balance at September 30, 2023 ⁽²⁾	<u>\$ 9,325</u>

⁽¹⁾ Principally relates to revenue recognized from the redemption of mileage credits for both air and non-air travel awards. Mileage credits are combined in one homogenous pool and are not separately identifiable. As such, the revenue is comprised of mileage credits that were part of the loyalty program deferred revenue balance at the beginning of the period, as well as mileage credits that were issued during the period.

⁽²⁾ Mileage credits can be redeemed at any time and generally do not expire as long as that AAdvantage member has any type of qualifying activity at least every 24 months or if the AAdvantage member is the primary holder of a co-branded credit card. As of September 30, 2023, American's current loyalty program liability was \$3.5 billion and represents American's current estimate of revenue expected to be recognized in the next 12 months based on historical trends, with the balance reflected in long-term loyalty program liability expected to be recognized as revenue in periods thereafter.

The air traffic liability principally represents tickets sold for future travel on American and partner airlines. The balance in American's air traffic liability also fluctuates with seasonal travel patterns. The contract duration of passenger tickets is one year. Accordingly, any revenue associated with tickets sold for future travel will be recognized within 12 months. For the nine months ended September 30, 2023, \$5.2 billion of revenue was recognized in passenger revenue that was included in American's air traffic liability at December 31, 2022. Substantially all tickets issued in 2022 and thereafter are no longer subject to change fees which provides more flexibility for customers to change travel plans. Given this new flexibility offered to its customers, American's estimate of revenue that will be recognized from the air traffic liability for future flown or unused tickets may be subject to variability and differ from historical experience.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
(Unaudited)

4. Debt

Long-term debt included in the condensed consolidated balance sheets consisted of (in millions):

	September 30, 2023	December 31, 2022
<i>Secured</i>		
2013 Term Loan Facility, variable interest rate of 8.59%, installments through February 2028	\$ 990	\$ 1,752
2014 Term Loan Facility, variable interest rate of 7.32%, installments through January 2027	1,183	1,196
11.75% senior secured notes, interest only payments until due in July 2025	1,961	2,500
10.75% senior secured IP notes, interest only payments until due in February 2026	1,000	1,000
10.75% senior secured LGA/DCA notes, interest only payments until due in February 2026	200	200
7.25% senior secured notes, interest only payments until due in February 2028	750	—
5.50% senior secured notes, installments through April 2026 ⁽¹⁾	3,209	3,500
5.75% senior secured notes, installments beginning in July 2026 until due in April 2029 ⁽¹⁾	3,000	3,000
AAdvantage Term Loan Facility, variable interest rate of 10.34%, installments through April 2028 ⁽¹⁾	3,325	3,500
Enhanced equipment trust certificates (EETCs), fixed interest rates ranging from 2.88% to 7.13%, averaging 3.65%, maturing from 2023 to 2034	8,005	9,175
Equipment loans and other notes payable, fixed and variable interest rates ranging from 2.55% to 8.92%, averaging 6.91%, maturing from 2023 to 2035	3,454	3,170
Special facility revenue bonds, fixed interest rates ranging from 2.25% to 5.38%, maturing from 2026 to 2036	967	1,050
Total long-term debt	28,044	30,043
Less: Total unamortized debt discount, premium and issuance costs	347	364
Less: Current maturities	3,607	3,059
Long-term debt, net of current maturities	<u>\$ 24,090</u>	<u>\$ 26,620</u>

⁽¹⁾ Collectively referred to as the AAdvantage Financing.

As of September 30, 2023, the maximum availability under American's revolving credit and other facilities is as follows (in millions):

2013 Revolving Facility	\$ 736
2014 Revolving Facility	1,631
April 2016 Revolving Facility	446
Other short-term facility	55
Total	<u>\$ 2,868</u>

American currently has \$55 million of available borrowing base under a cargo receivables facility that is set to expire in December 2023. As a result of the below amendments to the 2013, 2014 and April 2016 Revolving Facilities, the aggregate commitments under these facilities will be \$2.8 billion through October 11, 2024, and thereafter through October 13, 2026, such aggregate commitments will decrease to \$2.2 billion.

Secured financings, including revolving credit and other facilities, are collateralized by assets, consisting primarily of aircraft, engines, simulators, aircraft spare parts, airport gate leasehold rights, route authorities, airport slots, certain receivables, certain intellectual property and certain loyalty program assets.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
(Unaudited)

2023 Financing Activities

2013 Credit Facilities

In February 2023, American and AAG refinanced approximately \$1.8 billion in aggregate principal amount of term loans outstanding under the 2013 Term Loan Facility (the 2013 Term Loan Facility Refinancing) through the combination of (i) the issuance of \$750 million in aggregate principal amount of 7.25% senior secured notes due 2028 and (ii) the entry into the Seventh Amendment to the 2013 Credit Agreement, pursuant to which the maturity of \$1.0 billion in term loans under the 2013 Term Loan Facility was extended to February 2028 from June 2025. The Seventh Amendment also amended certain other terms of the 2013 Credit Agreement, including the interest rate and amortization schedule for the 2013 Term Loan Facility, the requirements for delivery of appraisals and certain covenants relating to dispositions of collateral. Additionally, the Seventh Amendment transitioned the benchmark interest rate from the London Interbank Offered Rate (LIBOR) to the Secured Overnight Financing Rate (SOFR). As a result, the 2013 Term Loan Facility bears interest at a base rate (subject to a floor of 1.00%) plus an applicable margin of 1.75% or, at American's option, the SOFR rate for a tenor of one, three or six months, depending on the interest period selected by American (subject to a floor of 0.00%), plus the SOFR adjustment applicable to such interest period and an applicable margin of 2.75%.

In March 2023, American and AAG entered into the Eighth Amendment to the 2013 Credit Agreement, pursuant to which American extended the maturity of certain commitments under the 2013 Revolving Facility. The Eighth Amendment also amended certain other terms of the 2013 Credit Agreement, including certain covenants and transitioned the benchmark interest rate from LIBOR to SOFR. The 2013 Revolving Facility bears interest at a base rate (subject to a floor of 1.00%) plus an applicable margin of 2.25%, 2.50% or 2.75%, depending on AAG's public corporate rating, or, at American's option, the SOFR rate for a tenor of one, three or six months, depending on the interest period selected by American (subject to a floor of 0.00%), plus the SOFR adjustment applicable to such interest period plus an applicable margin of 3.25%, 3.50% or 3.75%, depending on AAG's public corporate rating. Additionally, as a result of the Eighth Amendment, through October 11, 2024, the aggregate commitments under the 2013 Revolving Facility will be \$736 million, and thereafter through October 13, 2026, such aggregate commitments will decrease to \$563 million.

7.25% Senior Secured Notes

On February 15, 2023, as part of the 2013 Term Loan Facility Refinancing, American issued \$750 million aggregate principal amount of 7.25% senior secured notes due 2028 (the 7.25% Senior Secured Notes) in a private offering. The 7.25% Senior Secured Notes were issued at par and bear interest at a rate of 7.25% per annum (subject to increase if the collateral coverage ratio described below is not met). Interest on the 7.25% Senior Secured Notes is payable semiannually in arrears on February 15 and August 15 of each year, which began on August 15, 2023. The 7.25% Senior Secured Notes will mature on February 15, 2028. The obligations of American under the 7.25% Senior Secured Notes are fully and unconditionally guaranteed on a senior unsecured basis by AAG. American used the proceeds from the offering of the 7.25% Senior Secured Notes, together with cash on hand, to repay a portion of the term loans then outstanding under the 2013 Term Loan Facility and to pay related fees and expenses.

The 7.25% Senior Secured Notes were issued pursuant to an indenture, dated as of February 15, 2023 (the 7.25% Senior Secured Notes Indenture), by and among American, AAG and Wilmington Trust, National Association, as trustee and collateral agent. The 7.25% Senior Secured Notes are American's senior secured obligations and are secured on a first lien basis by security interests in certain assets, rights and properties that American uses to provide non-stop scheduled air carrier services between (a) certain airports in the United States and (b) airports in countries in South America (which comprises Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay and Venezuela but does not include territories subject to the sovereignty, control or jurisdiction of a country not otherwise listed herein) and New Zealand (collectively, the 7.25% Senior Secured Notes Collateral). The 7.25% Senior Secured Notes Collateral also secures, on a first lien, pari passu basis with the 7.25% Senior Secured Notes, the 2013 Credit Facilities under the 2013 Credit Agreement.

American may redeem the 7.25% Senior Secured Notes, in whole at any time or in part from time to time prior to February 15, 2025, at a redemption price equal to 100% of the principal amount of the 7.25% Senior Secured Notes to be redeemed, plus a "make-whole" premium, plus any accrued and unpaid interest thereon to but excluding the date of redemption. At any time on or after February 15, 2025, American may redeem all or any of the 7.25% Senior Secured Notes in whole at any time, or in part from time to time, at the redemption prices described in the 7.25% Senior Secured Notes Indenture, plus any accrued and unpaid interest thereon to but excluding the date of redemption. In addition, at any time prior to February 15, 2025, American may redeem up to 40% of the original aggregate principal amount of the 7.25% Senior Secured Notes (calculated after giving effect to any issuance of additional notes) with the net cash proceeds of

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certain equity offerings, at a redemption price equal to 107.250% of the aggregate principal amount of the 7.25% Senior Secured Notes to be redeemed, plus any accrued and unpaid interest thereon to but excluding the date of redemption.

Further, if certain change of control transactions occur, each holder of 7.25% Senior Secured Notes may require American to repurchase the 7.25% Senior Secured Notes in whole or in part at a repurchase price of 101% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to but not including the repurchase date.

Twice per year, American is required to deliver an appraisal of the 7.25% Senior Secured Notes Collateral and an officer's certificate demonstrating the calculation of a collateral coverage ratio in relation to the 7.25% Senior Secured Notes Collateral (the 7.25% Senior Secured Notes Collateral Coverage Ratio) as of the date of delivery of the appraisal for the applicable period. If the 7.25% Senior Secured Notes Collateral Coverage Ratio is less than 1.6 to 1.0 as of the date of delivery of the appraisal for the applicable period, then, subject to a cure period in which additional collateral can be provided or debt repaid such that American meets the required 7.25% Senior Secured Notes Collateral Coverage Ratio, American will be required to pay special interest in an additional amount equal to 2.0% per annum of the principal amount of the 7.25% Senior Secured Notes until the 7.25% Senior Secured Notes Collateral Coverage Ratio is established to be at least 1.6 to 1.0.

2014 Credit Facilities

In March 2023, American and AAG entered into the Ninth Amendment to the 2014 Credit Agreement, pursuant to which American extended the maturity of certain commitments under the 2014 Revolving Facility. The Ninth Amendment also amended certain other terms of the 2014 Credit Agreement including the requirements for delivery of appraisals and certain other covenants and transitioned the benchmark interest rate for the 2014 Revolving Facility and the 2014 Term Loan Facility from LIBOR to SOFR. The 2014 Revolving Facility bears interest at the same base rate and applicable margin as the 2013 Revolving Facility, as noted above in "2013 Credit Facilities." The 2014 Term Loan Facility bears interest at a base rate (subject to a floor of 1.00%) plus an applicable margin of 1.75% or, at American's option, the SOFR rate for a tenor of one, three or six months, depending on the interest period selected by American (subject to a floor of 0.00%), plus the SOFR adjustment applicable to such interest period plus an applicable margin of 0.75%. Additionally, as a result of the Ninth Amendment, through October 11, 2024, the aggregate commitments under the 2014 Revolving Facility will be \$1.6 billion, and thereafter through October 13, 2026, such aggregate commitments will decrease to \$1.2 billion.

April 2016 Revolving Facility

In March 2023, American and AAG entered into the Sixth Amendment to the April 2016 Credit Agreement, pursuant to which American extended the maturity of certain commitments under the April 2016 Revolving Facility. The Sixth Amendment also amended certain other terms under the April 2016 Credit Agreement including the requirements for delivery of appraisals and certain other covenants and transitioned the benchmark interest rate for the April 2016 Revolving Facility from LIBOR to SOFR. The April 2016 Revolving Facility bears interest at the same base rate and applicable margin as the 2013 Revolving Facility, as noted above in "2013 Credit Facilities." Additionally, as a result of the Sixth Amendment, through October 11, 2024, the aggregate commitments under the April 2016 Revolving Facility will be \$446 million, and thereafter through October 13, 2026, such aggregate commitments will decrease to \$342 million.

AAdvantage Term Loan Facility

In June 2023, American and AAdvantage Loyalty IP Ltd. entered into the First Amendment to the AAdvantage Term Loan Facility pursuant to which the benchmark interest rate transitioned from LIBOR to SOFR, effective July 1, 2023. As a result, the AAdvantage Term Loan Facility bears interest at a base rate (subject to a floor of 0.00%) plus an applicable margin of 3.75% or, at American's option, the SOFR rate for a tenor of three months (subject to a floor of 0.75%), plus a 0.26161% credit spread adjustment and an applicable margin of 4.75%. Other than the foregoing, the terms of the AAdvantage Term Loan Facility remain substantially unchanged.

Equipment Loans and Other Notes Payable Issued in 2023

During the first nine months of 2023, American entered into agreements under which it borrowed \$663 million in connection with the financing of certain aircraft. Debt incurred under these agreements matures in 2032 through 2035 and bears interest at fixed and variable rates (comprised of SOFR plus an applicable margin) averaging 6.90% as of September 30, 2023.

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Other Financing Activities

During the first nine months of 2023, American repurchased \$539 million of secured notes in the open market.

5. Income Taxes

At December 31, 2022, American had approximately \$16.1 billion of gross federal net operating losses (NOLs) and \$3.5 billion of other carryforwards available to reduce future federal taxable income, of which \$6.2 billion will expire beginning in 2025 if unused and \$13.4 billion can be carried forward indefinitely. American is a member of AAG's consolidated federal and certain state income tax returns. American also had approximately \$5.9 billion of NOL carryforwards to reduce future state taxable income at December 31, 2022, which will expire in taxable years 2022 through 2042 if unused.

American's ability to use its NOLs and other carryforwards depends on the amount of taxable income generated in future periods. American provides a valuation allowance for its deferred tax assets, which include the NOLs, when it is more likely than not that some portion, or all of its deferred tax assets, will not be realized. American considers all available positive and negative evidence and makes certain assumptions in evaluating the realizability of its deferred tax assets. Many factors are considered that impact American's assessment of future profitability, including conditions which are beyond its control, such as the health of the economy, the availability and price volatility of aircraft fuel and travel demand. American has determined that positive factors outweigh negative factors in the determination of the realizability of its deferred tax assets. There can be no assurance that an additional valuation allowance on American's net deferred tax assets will not be required. Such valuation allowance could be material.

6. Fair Value Measurements

Assets Measured at Fair Value on a Recurring Basis

American utilizes the market approach to measure the fair value of its financial assets. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. American's short-term investments, restricted cash and restricted short-term investments classified as Level 2 utilize significant observable inputs, other than quoted prices in active markets, for valuation of these securities. No changes in valuation techniques or inputs occurred during the nine months ended September 30, 2023.

Assets measured at fair value on a recurring basis are summarized below (in millions):

	Fair Value Measurements as of September 30, 2023			
	Total	Level 1	Level 2	Level 3
Short-term investments ^{(1), (2)} :				
Money market funds	\$ 442	\$ 442	\$ —	\$ —
Corporate obligations	5,880	—	5,880	—
Bank notes/certificates of deposit/time deposits	3,130	—	3,130	—
Repurchase agreements	550	—	550	—
	10,002	442	9,560	—
Restricted cash and short-term investments ^{(1), (3)}	925	480	445	—
Long-term investments ⁽⁴⁾	174	174	—	—
Total	\$ 11,101	\$ 1,096	\$ 10,005	\$ —

⁽¹⁾ All short-term investments are classified as available-for-sale and stated at fair value. Unrealized gains and losses are recorded in accumulated other comprehensive loss at each reporting period. There were no credit losses.

⁽²⁾ American's short-term investments mature in one year or less.

⁽³⁾ Restricted cash and short-term investments primarily include collateral held to support workers' compensation obligations and collateral associated with the payment of interest for the AAdvantage Financing.

⁽⁴⁾ Long-term investments include American's equity investments in China Southern Airlines Company Limited (China Southern Airlines), GOL Linhas Aéreas Inteligentes S.A. (GOL) and Vertical Aerospace Ltd. (Vertical). See Note 7 for further information on American's equity investments.

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Fair Value of Debt

The fair value of American's long-term debt was estimated using quoted market prices or discounted cash flow analyses based on American's current estimated incremental borrowing rates for similar types of borrowing arrangements. If American's long-term debt was measured at fair value, it would have been classified as Level 2.

The carrying value and estimated fair value of American's long-term debt, including current maturities, were as follows (in millions):

	September 30, 2023		December 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including current maturities	\$ 27,697	\$ 27,236	\$ 29,679	\$ 28,453

7. Investments

To help expand American's network and as part of its ongoing commitment to sustainability, American enters into various commercial relationships or other strategic partnerships, including equity investments, with other airlines and companies. American's equity investments are reflected in other assets on its condensed consolidated balance sheets. American's share of equity method investees' financial results and changes in fair value are recorded in nonoperating other income (expense), net on the condensed consolidated statements of operations.

American's equity investment ownership interests and carrying values are as follows:

	Accounting Treatment	Ownership Interest		Carrying Value (in millions)	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Republic Airways Holdings Inc.	Equity Method	25.0 %	25.0 %	\$ 237	\$ 222
China Southern Airlines	Fair Value	1.5 %	1.5 %	132	176
Other investments ⁽¹⁾	Various			184	212
Total				\$ 553	\$ 610

⁽¹⁾ Primarily includes American's investment in JetSMART Holdings Limited, which is accounted for under the equity method, and American's investments in GOL and Vertical, which are each accounted for at fair value.

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8. Employee Benefit Plans

The following table provides the components of net periodic benefit cost (income) (in millions):

Three Months Ended September 30,	Pension Benefits		Retiree Medical and Other Postretirement Benefits	
	2023	2022	2023	2022
Service cost	\$ —	\$ 1	\$ 4	\$ 3
Interest cost	187	139	12	7
Expected return on assets	(228)	(283)	(2)	(3)
Amortization of:				
Prior service cost (benefit)	4	7	(3)	(3)
Unrecognized net loss (gain)	25	39	(10)	(6)
Net periodic benefit cost (income)	\$ (12)	\$ (97)	\$ 1	\$ (2)

Nine Months Ended September 30,	Pension Benefits		Retiree Medical and Other Postretirement Benefits	
	2023	2022	2023	2022
Service cost	\$ 1	\$ 2	\$ 10	\$ 11
Interest cost	564	414	36	22
Expected return on assets	(685)	(850)	(7)	(9)
Amortization of:				
Prior service cost (benefit)	18	21	(10)	(10)
Unrecognized net loss (gain)	80	117	(27)	(19)
Net periodic benefit cost (income)	\$ (22)	\$ (296)	\$ 2	\$ (5)

Effective November 1, 2012, substantially all of American's defined benefit pension plans were frozen.

The service cost component of net periodic benefit cost (income) is included in operating expenses and the other components of net periodic benefit cost (income) are included in nonoperating other income (expense), net in the condensed consolidated statements of operations.

As of September 30, 2023, American remeasured its retiree medical and other postretirement benefits to account for enhanced retirement benefits provided to its mainline pilots pursuant to the new collective bargaining agreement ratified in August 2023. As a result, American increased its postretirement benefits obligation by \$339 million, which was included as a component of prior service cost in accumulated other comprehensive loss.

During the first nine months of 2023, American made required contributions of \$67 million to its defined benefit pension plans.

9. Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss (AOCI) are as follows (in millions):

	Pension, Retiree Medical and Other Postretirement Benefits	Unrealized Gain (Loss) on Investments	Income Tax Benefit (Provision) ⁽¹⁾	Total
Balance at December 31, 2022	\$ (2,974)	\$ (6)	\$ (1,710)	\$ (4,690)
Other comprehensive income (loss) before reclassifications	(324)	1	73	(250)
Amounts reclassified from AOCI	61	—	(14) ⁽²⁾	47
Net current-period other comprehensive income (loss)	(263)	1	59	(203)
Balance at September 30, 2023	\$ (3,237)	\$ (5)	\$ (1,651)	\$ (4,893)

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- (1) Relates principally to pension, retiree medical and other postretirement benefits obligations that will not be recognized in net income (loss) until the obligations are fully extinguished.
- (2) Relates to pension, retiree medical and other postretirement benefits obligations and is recognized within the income tax provision (benefit) on the condensed consolidated statements of operations.

Reclassifications out of AOCI are as follows (in millions):

AOCI Components	Amounts reclassified from AOCI				Affected line items on the condensed consolidated statements of operations
	Three Months Ended September 30,		Nine Months Ended September 30,		
	2023	2022	2023	2022	
Amortization of pension, retiree medical and other postretirement benefits:					
Prior service cost	\$ 1	\$ 3	\$ 6	\$ 9	Nonoperating other income (expense), net
Actuarial loss	12	26	41	76	Nonoperating other income (expense), net
Total reclassifications for the period, net of tax	\$ 13	\$ 29	\$ 47	\$ 85	

10. Regional Expenses

American's regional carriers provide scheduled air transportation under the brand name "American Eagle." The American Eagle carriers include AAG's wholly-owned regional carriers as well as third-party regional carriers. American's regional carrier arrangements are in the form of capacity purchase agreements. Expenses associated with American Eagle operations are classified as regional expenses on the condensed consolidated statements of operations.

Regional expenses for the three months ended September 30, 2023 and 2022 include \$67 million and \$68 million of depreciation and amortization, respectively, and \$2 million and \$1 million of aircraft rent, respectively. Regional expenses for the nine months ended September 30, 2023 and 2022 include \$203 million and \$201 million of depreciation and amortization, respectively, and \$5 million and \$4 million of aircraft rent, respectively.

During the three months ended September 30, 2023 and 2022, American recognized \$153 million and \$152 million, respectively, of expense under its capacity purchase agreement with Republic Airways Inc. (Republic). During the nine months ended September 30, 2023 and 2022, American recognized \$489 million and \$462 million, respectively, of expense under its capacity purchase agreement with Republic. American holds a 25% equity interest in Republic Airways Holdings Inc., the parent company of Republic.

11. Transactions with Related Parties

The following represents the net receivables (payables) to related parties (in millions):

	September 30, 2023	December 31, 2022
AAG	\$ 9,043	\$ 8,692
AAG's wholly-owned subsidiaries ⁽¹⁾	(2,104)	(2,104)
Total	\$ 6,939	\$ 6,588

- (1) The net payable to AAG's wholly-owned subsidiaries consists primarily of amounts due under regional capacity purchase agreements with AAG's wholly-owned regional airlines operating under the brand name of American Eagle.

12. Legal Proceedings

Government Antitrust Action Related to the Northeast Alliance. On September 21, 2021, the United States Department of Justice, joined by Attorneys General from six states and the District of Columbia, filed an antitrust complaint against American and JetBlue Airways Corporation (JetBlue) in the U.S. District Court for the District of Massachusetts alleging that American and JetBlue violated U.S. antitrust law in connection with the previously disclosed Northeast Alliance arrangement (NEA). The parties presented their respective cases in a bench trial that commenced on September 27, 2022. The parties presented closing arguments on November 18, 2022.

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On May 19, 2023, the U.S. District Court for the District of Massachusetts issued an order permanently enjoining American and JetBlue from continuing and further implementing the NEA. Following written submissions by the parties and a hearing on July 26, 2023, the U.S. District Court for the District of Massachusetts entered a Final Judgment and Order Entering Permanent Injunction on July 28, 2023. The parties have complied and will continue to comply with the terms of the Final Judgment and Order Entering Permanent Injunction, including winding down activities related to the NEA. American filed a notice of appeal to the U.S. Court of Appeals for the First Circuit on September 25, 2023.

Private Party Antitrust Actions Related to the Northeast Alliance. On December 5, 2022 and December 7, 2022, two private party plaintiffs filed putative class action antitrust complaints against American and JetBlue in the U.S. District Court for the Eastern District of New York alleging that American and JetBlue violated U.S. antitrust law in connection with the previously disclosed NEA. These actions were consolidated on January 10, 2023. The private party plaintiffs filed an amended consolidated complaint on February 3, 2023. On February 2, 2023 and February 15, 2023, private party plaintiffs filed two additional putative class action antitrust complaints against American and JetBlue in the U.S. District Court for the District of Massachusetts and the U.S. District Court for the Eastern District of New York, respectively. In March 2023, American filed a motion in the U.S. District Court for the District of Massachusetts case asking to transfer the case to the U.S. District Court for the Eastern District of New York and consolidate it with the cases pending in that venue. The U.S. District Court for the District of Massachusetts granted that motion. The remaining cases were consolidated with the other actions in the Eastern District of New York. In June 2023, the private party plaintiffs filed a second amended consolidated complaint, followed by a third amended complaint filed in August 2023. In September 2023, American, together with JetBlue, filed a motion to dismiss the third amended complaint, and that motion remains pending. American believes these lawsuits are without merit and is defending against them vigorously.

General. In addition to the specifically identified legal proceedings, American and its subsidiaries are also engaged in other legal proceedings from time to time. Legal proceedings can be complex and take many months, or even years, to reach resolution, with the final outcome depending on a number of variables, some of which are not within American's control. Therefore, although American will vigorously defend itself in each of the actions described above and such other legal proceedings, their ultimate resolution and potential financial and other impacts on American are uncertain but could be material.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Part I, Item 2 of this report should be read in conjunction with Part II, Item 7 of AAG's and American's Annual Report on Form 10-K for the year ended December 31, 2022 (the 2022 Form 10-K). The information contained herein is not a comprehensive discussion and analysis of the financial condition and results of operations of AAG and American, but rather updates disclosures made in the 2022 Form 10-K.

Financial Overview
AAG's Third Quarter 2023 Results

The selected financial data presented below is derived from AAG's unaudited condensed consolidated financial statements included in Part I, Item 1A of this report and should be read in conjunction with those financial statements and the related notes thereto.

	Three Months Ended September 30,		Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
	(In millions, except percentage changes)			
Passenger revenue	\$ 12,421	\$ 12,396	\$ 25	0.2
Cargo revenue	193	279	(86)	(30.9)
Other operating revenue	868	787	81	10.4
Total operating revenues	13,482	13,462	20	0.1
Aircraft fuel and related taxes	3,209	3,847	(638)	(16.6)
Salaries, wages and benefits	3,974	3,384	590	17.4
Total operating expenses	13,705	12,532	1,173	9.4
Operating income (loss)	(223)	930	(1,153)	nm ⁽²⁾
Pre-tax income (loss)	(690)	658	(1,348)	nm
Income tax provision (benefit)	(145)	175	(320)	nm
Net income (loss)	(545)	483	(1,028)	nm
Pre-tax income (loss) – GAAP	\$ (690)	\$ 658	\$ (1,348)	nm
Adjusted for: pre-tax net special items ⁽¹⁾	1,052	(18)	1,070	nm
Pre-tax income excluding net special items	\$ 362	\$ 640	\$ (278)	(43.4)

⁽¹⁾ See "Reconciliation of GAAP to Non-GAAP Financial Measures" below and Note 2 to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A for details on the components of net special items.

⁽²⁾ Not meaningful or greater than 100% change.

Pre-Tax Income (Loss) and Net Income (Loss)

Pre-tax loss and net loss were \$690 million and \$545 million, respectively, in the third quarter of 2023. This compares to third quarter of 2022 pre-tax income and net income of \$658 million and \$483 million, respectively. The period-over-period decrease in our pre-tax income on a GAAP basis was principally driven by increased salaries, wages and benefits costs as a result of the ratification of a new collective bargaining agreement with our mainline pilots. The third quarter of 2023 also included \$1.1 billion of pre-tax net special items, principally related to one-time charges resulting from the new agreement. These costs were offset in part by lower aircraft fuel expenses principally driven by a 22.0% decrease in the average price per gallon of aircraft fuel.

Excluding the effects of pre-tax net special items, pre-tax income was \$362 million and \$640 million in the third quarters of 2023 and 2022, respectively. The period-over-period decrease in our pre-tax income excluding pre-tax net special items was principally driven by increased salaries, wages and benefits costs, offset in part by lower aircraft fuel expenses, as described above.

In May 2023, American and the Allied Pilots Association, the union representing our mainline pilots, reached an agreement in principle on a new collective bargaining agreement, which was ratified in August 2023. This four-year agreement provides wage rate increases, including an initial wage rate increase of 21% effective as of January 1, 2023, quality-of-life benefits and other benefit-related items. The additional compensation for the 2023 period prior to contract ratification as a result of the higher wage rates was recorded within salaries, wages and benefits in the condensed consolidated statements of operations in the second and third quarters of 2023. The agreement also included a provision for a one-time payment upon ratification. During the third quarter of 2023, one-time charges resulting from the ratification of this new agreement were recorded as mainline operating special items, net in the condensed consolidated statement of operations, including the one-time payment of \$754 million as well as adjustments to other benefit-related items of \$229 million. The one-time payment and the additional compensation was principally paid in October 2023, with remaining payments expected to be paid in the first quarter of 2024.

Revenue

In the third quarter of 2023, we reported total operating revenues of \$13.5 billion and total passenger revenue of \$12.4 billion. These revenues remained flat as compared to the third quarter of 2022. Continued strength in demand for air travel in the third quarter of 2023 resulted in a 5.2% increase in revenue passenger miles (RPMs), offset in part by a 4.8% decrease in passenger yield.

Cargo revenue decreased \$86 million, or 30.9%, in the third quarter of 2023 from the third quarter of 2022 primarily due to a 32.6% decrease in cargo yield driven by increased air freight capacity.

Other operating revenue increased \$81 million, or 10.4%, in the third quarter of 2023 from the third quarter of 2022, driven primarily by higher revenue associated with our loyalty program.

Our total revenue per available seat mile (TRASM) was 18.40 cents in the third quarter of 2023, a 6.3% decrease as compared to 19.63 cents in the third quarter of 2022.

Fuel

Aircraft fuel expense was \$3.2 billion in the third quarter of 2023, which was \$638 million, or 16.6%, lower as compared to the third quarter of 2022. This decrease was primarily due to a 22.0% decrease in the average price per gallon of aircraft fuel including related taxes to \$2.91 in the third quarter of 2023 from \$3.73 in the third quarter of 2022, offset in part by a 6.9% increase in gallons of fuel consumed due to increased capacity.

As of September 30, 2023, we did not have any fuel hedging contracts outstanding to hedge our fuel consumption. Our current policy is not to enter into transactions to hedge our fuel consumption, although we review that policy from time to time based on market conditions and other factors. As such, and assuming we do not enter into any future transactions to hedge our fuel consumption, we will continue to be fully exposed to fluctuations in fuel prices.

Other Costs

We remain committed to actively managing our cost structure, which we believe is necessary in an industry whose economic prospects are heavily dependent upon two variables we cannot control: general economic conditions and the price of fuel.

Our 2023 third quarter total operating cost per available seat mile (CASM) was 18.70 cents, an increase of 2.3% from 18.28 cents in the third quarter of 2022. This increase was primarily driven by costs associated with the ratification of a new collective bargaining agreement with our mainline pilots, offset in part by lower aircraft fuel expenses, as described above.

Our 2023 third quarter CASM excluding net special items and fuel was 13.02 cents, an increase of 3.3% from 12.61 cents in the third quarter of 2022, which was primarily driven by costs associated with the ratification of a new collective bargaining agreement with our mainline pilots, as described above.

For a reconciliation of CASM to CASM excluding net special items and fuel, see "Reconciliation of GAAP to Non-GAAP Financial Measures" below.

Liquidity

As of September 30, 2023, we had \$13.5 billion in total available liquidity, consisting of \$10.6 billion in unrestricted cash and short-term investments, and \$2.9 billion in total undrawn capacity under revolving credit and other short-term facilities.

Reconciliation of GAAP to Non-GAAP Financial Measures

We sometimes use financial measures that are derived from the condensed consolidated financial statements but that are not presented in accordance with accounting principles generally accepted in the U.S. (GAAP) to understand and evaluate our current operating performance and to allow for period-to-period comparisons. We believe these non-GAAP financial measures may also provide useful information to investors and others. These non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies, and should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with GAAP. We are providing a reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis.

The following table presents the reconciliation of pre-tax income (loss) (GAAP measure) to pre-tax income (loss) excluding net special items (non-GAAP measure). Management uses this non-GAAP financial measure to evaluate our current operating performance and to allow for period-to-period comparisons. As net special items may vary from period-to-period in nature and amount, the adjustment to exclude net special items allows management an additional tool to understand our core operating performance.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(In millions)			
Reconciliation of Pre-Tax Income (Loss) Excluding Net Special Items:				
Pre-tax income (loss) – GAAP	\$ (690)	\$ 658	\$ 1,089	\$ (824)
Pre-tax net special items ⁽¹⁾ :				
Mainline operating special items, net	949	37	962	189
Regional operating special items, net	2	2	8	2
Nonoperating special items, net	101	(57)	146	34
Total pre-tax net special items	1,052	(18)	1,116	225
Pre-tax income (loss) excluding net special items	\$ 362	\$ 640	\$ 2,205	\$ (599)

⁽¹⁾ See Note 2 to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A for further information on net special items.

Additionally, the table below presents the reconciliation of total operating costs (GAAP measure) to total operating costs excluding net special items and fuel (non-GAAP measure) and CASM to CASM excluding net special items and fuel. Management uses total operating costs excluding net special items and fuel and CASM excluding net special items and fuel to evaluate our current operating performance and for period-to-period comparisons. The price of fuel, over which we have no control, impacts the comparability of period-to-period financial performance. The adjustment to exclude net special items and fuel allows management an additional tool to understand and analyze our non-fuel costs and core operating performance. Amounts may not recalculate due to rounding.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Reconciliation of CASM Excluding Net Special Items and Fuel:				
<i>(In millions)</i>				
Total operating expenses – GAAP	\$ 13,705	\$ 12,532	\$ 37,348	\$ 35,558
Operating net special items ⁽¹⁾ :				
Mainline operating special items, net	(949)	(37)	(962)	(189)
Regional operating special items, net	(2)	(2)	(8)	(2)
Aircraft fuel and related taxes	(3,209)	(3,847)	(9,098)	(10,369)
Total operating expenses, excluding net special items and fuel	\$ 9,545	\$ 8,646	\$ 27,280	\$ 24,998
Total available seat miles (ASM)	73,285	68,567	207,950	194,264
<i>(In cents)</i>				
CASM	18.70	18.28	17.96	18.30
Operating net special items per ASM ⁽¹⁾ :				
Mainline operating special items, net	(1.29)	(0.05)	(0.46)	(0.10)
Regional operating special items, net	—	—	—	—
Aircraft fuel and related taxes per ASM	(4.38)	(5.61)	(4.38)	(5.34)
CASM, excluding net special items and fuel	13.02	12.61	13.12	12.87

⁽¹⁾ See Note 2 to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A for further information on net special items.

AAG's Results of Operations
Operating Statistics

The table below sets forth selected operating data for the three and nine months ended September 30, 2023 and 2022. Amounts may not recalculate due to rounding.

	Three Months Ended September 30,		Increase (Decrease)	Nine Months Ended September 30,		Increase (Decrease)
	2023	2022		2023	2022	
Revenue passenger miles (millions) ^(a)	61,561	58,499	5.2%	173,595	160,305	8.3%
Available seat miles (millions) ^(b)	73,285	68,567	6.9%	207,950	194,264	7.0%
Passenger load factor (percent) ^(c)	84.0	85.3	(1.3)pts	83.5	82.5	1.0pts
Yield (cents) ^(d)	20.18	21.19	(4.8)%	21.03	20.23	3.9%
Passenger revenue per available seat mile (cents) ^(e)	16.95	18.08	(6.3)%	17.55	16.70	5.1%
Total revenue per available seat mile (cents) ^(f)	18.40	19.63	(6.3)%	19.10	18.42	3.7%
Fuel consumption (gallons in millions)	1,102	1,031	6.9%	3,107	2,922	6.3%
Average aircraft fuel price including related taxes (dollars per gallon)	2.91	3.73	(22.0)%	2.93	3.55	(17.5)%
Total operating cost per available seat mile (cents) ^(g)	18.70	18.28	2.3%	17.96	18.30	(1.9)%
Aircraft at end of period ^(h)	1,499	1,461	2.6%	1,499	1,461	2.6%
Full-time equivalent employees at end of period	132,800	129,700	2.4%	132,800	129,700	2.4%

^(a) Revenue passenger mile (RPM) – A basic measure of sales volume. One RPM represents one passenger flown one mile.

^(b) Available seat mile (ASM) – A basic measure of production. One ASM represents one seat flown one mile.

^(c) Passenger load factor – The percentage of available seats that are filled with revenue passengers.

^(d) Yield – A measure of airline revenue derived by dividing passenger revenue by RPMs.

^(e) Passenger revenue per available seat mile (PRASM) – Passenger revenue divided by ASMs.

^(f) Total revenue per available seat mile (TRASM) – Total revenues divided by ASMs.

^(g) Total operating cost per available seat mile (CASM) – Total operating expenses divided by ASMs.

^(h) Includes aircraft owned and leased by American as well as aircraft operated by third-party regional carriers under capacity purchase agreements. Excluded from the aircraft count above are one Boeing 737-800 mainline aircraft and 75 regional aircraft that were in temporary storage as of September 30, 2023 as follows: 54 Embraer 145, 11 Bombardier CRJ 700, five Embraer 170 and five Bombardier CRJ 900.

Three Months Ended September 30, 2023 Compared to Three Months Ended September 30, 2022
Operating Revenues

	Three Months Ended September 30,		Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
	(In millions, except percentage changes)			
Passenger	\$ 12,421	\$ 12,396	\$ 25	0.2
Cargo	193	279	(86)	(30.9)
Other	868	787	81	10.4
Total operating revenues	\$ 13,482	\$ 13,462	\$ 20	0.1

This table presents our passenger revenue and the period-over-period change in certain operating statistics:

	Three Months Ended September 30, 2023 (In millions)	Increase (Decrease) vs. Three Months Ended September 30, 2022				PRASM
		RPMS	ASMs	Load Factor	Passenger Yield	
Passenger revenue	\$ 12,421	5.2%	6.9%	(1.3)pts	(4.8)%	(6.3)%

Passenger revenue remained flat in the third quarter of 2023 from the third quarter of 2022. Continued strength in demand for air travel resulted in a 5.2% increase in RPMS, offset in part by a 4.8% decrease in passenger yield.

Cargo revenue decreased \$86 million, or 30.9%, in the third quarter of 2023 from the third quarter of 2022 primarily due to a 32.6% decrease in cargo yield driven by increased air freight capacity.

Other operating revenue increased \$81 million, or 10.4%, in the third quarter of 2023 from the third quarter of 2022, driven primarily by higher revenue associated with our loyalty program. During the three months ended September 30, 2023 and 2022, cash payments from co-branded credit card and other partners were \$1.3 billion and \$1.0 billion, respectively.

Total operating revenues remained flat in the third quarter of 2023 from the third quarter of 2022. Our TRASM was 18.40 cents in the third quarter of 2023, a 6.3% decrease as compared to 19.63 cents in the third quarter of 2022.

Operating Expenses

	Three Months Ended September 30,		Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
	(In millions, except percentage changes)			
Aircraft fuel and related taxes	\$ 3,209	\$ 3,847	\$ (638)	(16.6)
Salaries, wages and benefits	3,974	3,384	590	17.4
Regional expenses	1,168	1,174	(6)	(0.5)
Maintenance, materials and repairs	870	685	185	26.9
Other rent and landing fees	745	710	35	5.0
Aircraft rent	342	347	(5)	(1.4)
Selling expenses	430	495	(65)	(13.2)
Depreciation and amortization	487	491	(4)	(0.8)
Mainline operating special items, net	949	37	912	nm
Other	1,531	1,362	169	12.5
Total operating expenses	\$ 13,705	\$ 12,532	\$ 1,173	9.4

Significant changes in the components of our total operating expenses are as follows:

Aircraft fuel and related taxes decreased \$638 million, or 16.6%, in the third quarter of 2023 from the third quarter of 2022 primarily due to a 22.0% decrease in the average price per gallon of aircraft fuel including related taxes to \$2.91 in the third quarter of 2023 from \$3.73 in the third quarter of 2022, offset in part by a 6.9% increase in gallons of fuel consumed due to increased capacity.

Salaries, wages and benefits increased \$590 million, or 17.4%, in the third quarter of 2023 from the third quarter of 2022 primarily driven by higher wage rates associated with the ratification of a new collective bargaining agreement with our mainline pilots. This increase includes additional compensation for the period from January 2023 through April 2023 to reflect the higher mainline pilot wage rates effective as of January 1, 2023.

Maintenance, materials and repairs increased \$185 million, or 26.9%, in the third quarter of 2023 from the third quarter of 2022 primarily due to increased costs for engine overhauls and airframe heavy checks driven by higher volume, cost of materials and flight hours.

Other rent and landing fees increased \$35 million, or 5.0%, in the third quarter of 2023 from the third quarter of 2022 primarily due to rate increases at certain airports, incremental engine leases and higher landing fees.

Selling expenses decreased \$65 million, or 13.2%, in the third quarter of 2023 from the third quarter of 2022 primarily due to a decrease in commissions expense.

Other operating expenses increased \$169 million, or 12.5%, in the third quarter of 2023 from the third quarter of 2022 primarily driven by the increase in flight operations, including increased costs for aircraft food and catering, ground handling, crew travel and airport lounge operations, as well as certain general and administrative expenses.

Operating Special Items, Net

	Three Months Ended September 30,	
	2023	2022
	(In millions)	
Labor contract expenses ⁽¹⁾	\$ 983	\$ —
Litigation reserve adjustments	—	37
Other operating special items, net	(34)	—
Mainline operating special items, net	949	37
Regional operating special items, net	2	2
Operating special items, net	\$ 951	\$ 39

⁽¹⁾ Labor contract expenses relate to one-time charges resulting from the ratification of a new collective bargaining agreement with our mainline pilots, including a one-time payment of \$754 million as well as adjustments to other benefit-related items of \$229 million.

Nonoperating Results

	Three Months Ended September 30,		Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
	(In millions, except percentage changes)			
Interest income	\$ 168	\$ 70	\$ 98	nm
Interest expense, net	(537)	(499)	(38)	7.8
Other income (expense), net	(98)	157	(255)	nm
Total nonoperating expense, net	\$ (467)	\$ (272)	\$ (195)	71.9

Interest income increased \$98 million in the third quarter of 2023 from the third quarter of 2022 primarily as a result of higher returns on our short-term investments. Interest expense, net increased \$38 million, or 7.8%, in the third quarter of 2023 from the third quarter of 2022 primarily due to higher interest rates on our variable-rate debt instruments, offset in part by debt repayments.

In the third quarter of 2023, other nonoperating expense, net primarily included \$101 million of net special charges principally associated with mark-to-market net unrealized losses associated with certain equity investments and debt extinguishments, offset in part by \$16 million of non-service related pension and other postretirement benefit plan income.

In the third quarter of 2022, other nonoperating income, net primarily included \$103 million of non-service related pension and other postretirement benefit plan income and \$57 million of net special credits for mark-to-market net unrealized gains associated with certain equity investments.

The decrease in non-service related pension and other postretirement benefit plan income in the third quarter of 2023 as compared to the third quarter of 2022 is principally due to an increase in interest cost for the pension and other postretirement benefit obligations driven by higher discount rates and a decrease in expected return on pension plan assets from a reduction in plan assets.

Income Taxes

In the third quarter of 2023, we recorded an income tax benefit of \$145 million. Substantially all of our income or loss before income taxes is attributable to the United States.

See Note 6 to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A for additional information on income taxes.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

Operating Revenues

	Nine Months Ended September 30,		Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
	(In millions, except percentage changes)			
Passenger	\$ 36,502	\$ 32,438	\$ 4,064	12.5
Cargo	613	970	(357)	(36.8)
Other	2,611	2,375	236	10.0
Total operating revenues	\$ 39,726	\$ 35,783	\$ 3,943	11.0

This table presents our passenger revenue and the period-over-period change in certain operating statistics:

	Nine Months Ended September 30, 2023 (In millions)	vs. Nine Months Ended September 30, 2022				PRASM
		RPMs	ASMs	Load Factor	Passenger Yield	
Passenger revenue	\$ 36,502	8.3%	7.0%	1.0pts	3.9%	5.1%

Passenger revenue increased \$4.1 billion, or 12.5%, in the first nine months of 2023 from the first nine months of 2022 primarily due to continued strength in demand for air travel, resulting in an 8.3% increase in RPMs, a 3.9% increase in passenger yield and an 83.5% load factor in the first nine months of 2023.

Cargo revenue decreased \$357 million, or 36.8%, in the first nine months of 2023 from the first nine months of 2022 primarily due to a 28.6% decrease in cargo yield and an 11.6% decrease in cargo ton miles driven by lower demand and increased air freight capacity.

Other operating revenue increased \$236 million, or 10.0%, in the first nine months of 2023 from the first nine months of 2022, driven primarily by higher revenue associated with our loyalty program. During the nine months ended September 30, 2023 and 2022, cash payments from co-branded credit card and other partners were \$4.0 billion and \$3.4 billion, respectively.

Total operating revenues in the first nine months of 2023 increased \$3.9 billion, or 11.0%, from the first nine months of 2022, driven primarily by the increase in passenger revenue as described above. Our TRASM increased 3.7% to 19.10 cents in the first nine months of 2023 from 18.42 cents in the first nine months of 2022.

Operating Expenses

	Nine Months Ended September 30,		Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
	(In millions, except percentage changes)			
Aircraft fuel and related taxes	\$ 9,098	\$ 10,369	\$ (1,271)	(12.3)
Salaries, wages and benefits	10,891	9,773	1,118	11.4
Regional expenses	3,463	3,298	165	5.0
Maintenance, materials and repairs	2,389	1,949	440	22.6
Other rent and landing fees	2,214	2,081	133	6.4
Aircraft rent	1,031	1,045	(14)	(1.4)
Selling expenses	1,357	1,331	26	1.9
Depreciation and amortization	1,456	1,486	(30)	(2.0)
Mainline operating special items, net	962	189	773	nm
Other	4,487	4,037	450	11.1
Total operating expenses	\$ 37,348	\$ 35,558	\$ 1,790	5.0

Significant changes in the components of our total operating expenses are as follows:

Aircraft fuel and related taxes decreased \$1.3 billion, or 12.3%, in the first nine months of 2023 from the first nine months of 2022 primarily due to a 17.5% decrease in the average price per gallon of aircraft fuel including related taxes to \$2.93 in the first nine months of 2023 from \$3.55 in the first nine months of 2022, offset in part by a 6.3% increase in gallons of fuel consumed due to increased capacity.

Salaries, wages and benefits increased \$1.1 billion, or 11.4%, in the first nine months of 2023 from the first nine months of 2022 primarily driven by higher wage rates associated with the ratification of a new collective bargaining agreement with our mainline pilots and higher profit sharing program accruals as a result of increased profitability.

Regional expenses increased \$165 million, or 5.0%, in the first nine months of 2023 from the first nine months of 2022 primarily due to pay rate increases at our wholly-owned regional carriers effective in the second and third quarters of 2022.

Maintenance, materials and repairs increased \$440 million, or 22.6%, in the first nine months of 2023 from the first nine months of 2022 primarily due to increased costs for engine overhauls and airframe heavy checks driven by higher volume, flight hours and cost of materials.

Other rent and landing fees increased \$133 million, or 6.4%, in the first nine months of 2023 from the first nine months of 2022 primarily due to rate increases at certain airports, incremental engine leases and higher landing fees.

Selling expenses increased \$26 million, or 1.9%, in the first nine months of 2023 from the first nine months of 2022 primarily due to higher credit card fees driven by the overall increase in passenger revenues, offset in part by a decrease in commissions expense.

Other operating expenses increased \$450 million, or 11.1%, in the first nine months of 2023 from the first nine months of 2022 primarily driven by the increase in flight operations, including increased costs for aircraft food and catering, crew travel, airport lounge operations and ground handling, as well as certain general and administrative expenses.

Operating Special Items, Net

	Nine Months Ended September 30,	
	2023	2022
	(In millions)	
Labor contract expenses ⁽¹⁾	\$ 983	\$ —
Severance expenses	21	—
Fleet impairment ⁽²⁾	—	149
Litigation reserve adjustments	—	37
Other operating special items, net	(42)	3
Mainline operating special items, net	962	189
Regional operating special items, net	8	2
Operating special items, net	<u>\$ 970</u>	<u>\$ 191</u>

⁽¹⁾ Labor contract expenses relate to one-time charges resulting from the ratification of a new collective bargaining agreement with our mainline pilots, including a one-time payment of \$754 million as well as adjustments to other benefit-related items of \$229 million.

⁽²⁾ Fleet impairment included a non-cash impairment charge to write down the carrying value of our retired Airbus A330 fleet to the estimated fair value due to the market conditions for certain used aircraft. We retired our Airbus A330 fleet in 2020 as a result of the decline in demand for air travel due to the COVID-19 pandemic.

Nonoperating Results

	Nine Months Ended September 30,		Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
	(In millions, except percentage changes)			
Interest income	\$ 456	\$ 107	\$ 349	nm
Interest expense, net	(1,626)	(1,430)	(196)	13.7
Other income (expense), net	(119)	274	(393)	nm
Total nonoperating expense, net	<u>\$ (1,289)</u>	<u>\$ (1,049)</u>	<u>\$ (240)</u>	22.8

Interest income increased \$349 million in the first nine months of 2023 from the first nine months of 2022 primarily as a result of higher returns on our short-term investments. Interest expense, net increased \$196 million, or 13.7%, in the first nine months of 2023 from the first nine months of 2022 primarily due to higher interest rates on our variable-rate debt instruments, offset in part by debt repayments.

In the first nine months of 2023, other nonoperating expense, net primarily included \$146 million of net special charges principally associated with debt refinancings and extinguishments and mark-to-market net unrealized losses associated with certain equity investments, offset in part by \$32 million of non-service related pension and other postretirement benefit plan income.

In the first nine months of 2022, other nonoperating income, net primarily included \$315 million of non-service related pension and other postretirement benefit plan income, offset in part by \$34 million of net special charges principally for mark-to-market net unrealized losses associated with certain equity investments.

The decrease in non-service related pension and other postretirement benefit plan income in the first nine months of 2023 as compared to the first nine months of 2022 is principally due to an increase in interest cost for the pension and other postretirement benefit obligations driven by higher discount rates and a decrease in expected return on pension plan assets from a reduction in plan assets.

Income Taxes

In the first nine months of 2023, we recorded an income tax provision of \$286 million. Substantially all of our income or loss before income taxes is attributable to the United States.

See Note 6 to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A for additional information on income taxes.

American's Results of Operations

Three Months Ended September 30, 2023 Compared to Three Months Ended September 30, 2022

Operating Revenues

	Three Months Ended September 30,		Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
	(In millions, except percentage changes)			
Passenger	\$ 12,421	\$ 12,396	\$ 25	0.2
Cargo	193	279	(86)	(30.9)
Other	867	786	81	10.3
Total operating revenues	\$ 13,481	\$ 13,461	\$ 20	0.1

Passenger revenue remained flat in the third quarter of 2023 from the third quarter of 2022. Continued strength in demand for air travel resulted in an increase in RPMs, offset in part by a decrease in passenger yield.

Cargo revenue decreased \$86 million, or 30.9%, in the third quarter of 2023 from the third quarter of 2022 primarily due to a decrease in cargo yield driven by increased air freight capacity.

Other operating revenue increased \$81 million, or 10.3%, in the third quarter of 2023 from the third quarter of 2022, driven primarily by higher revenue associated with American's loyalty program. During the three months ended September 30, 2023 and 2022, cash payments from co-branded credit card and other partners were \$1.3 billion and \$1.0 billion, respectively.

Operating Expenses

	Three Months Ended September 30,		Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
	(In millions, except percentage changes)			
Aircraft fuel and related taxes	\$ 3,209	\$ 3,847	\$ (638)	(16.6)
Salaries, wages and benefits	3,972	3,382	590	17.4
Regional expenses	1,149	1,172	(23)	(2.0)
Maintenance, materials and repairs	870	685	185	26.9
Other rent and landing fees	745	710	35	5.0
Aircraft rent	342	347	(5)	(1.4)
Selling expenses	430	495	(65)	(13.2)
Depreciation and amortization	484	488	(4)	(0.8)
Mainline operating special items, net	949	37	912	nm
Other	1,533	1,363	170	12.5
Total operating expenses	\$ 13,683	\$ 12,526	\$ 1,157	9.2

Significant changes in the components of American's total operating expenses are as follows:

Aircraft fuel and related taxes decreased \$638 million, or 16.6%, in the third quarter of 2023 from the third quarter of 2022 primarily due to a 22.0% decrease in the average price per gallon of aircraft fuel including related taxes to \$2.91 in the third quarter of 2023 from \$3.73 in the third quarter of 2022, offset in part by a 6.9% increase in gallons of fuel consumed due to increased capacity.

Salaries, wages and benefits increased \$590 million, or 17.4%, in the third quarter of 2023 from the third quarter of 2022 primarily driven by higher wage rates associated with the ratification of a new collective bargaining agreement with American's mainline pilots. This increase includes additional compensation for the period from January 2023 through April 2023 to reflect the higher mainline pilot wage rates effective as of January 1, 2023.

Maintenance, materials and repairs increased \$185 million, or 26.9%, in the third quarter of 2023 from the third quarter of 2022 primarily due to increased costs for engine overhauls and airframe heavy checks driven by higher volume, cost of materials and flight hours.

Other rent and landing fees increased \$35 million, or 5.0%, in the third quarter of 2023 from the third quarter of 2022 primarily due to rate increases at certain airports, incremental engine leases and higher landing fees.

Selling expenses decreased \$65 million, or 13.2%, in the third quarter of 2023 from the third quarter of 2022 primarily due to a decrease in commissions expense.

Other operating expenses increased \$170 million, or 12.5%, in the third quarter of 2023 from the third quarter of 2022 primarily driven by the increase in flight operations, including increased costs for aircraft food and catering, ground handling, crew travel and airport lounge operations, as well as certain general and administrative expenses.

Operating Special Items, Net

	Three Months Ended September 30,	
	2023	2022
	(In millions)	
Labor contract expenses ⁽¹⁾	\$ 983	\$ —
Litigation reserve adjustments	—	37
Other operating special items, net	(34)	—
Mainline operating special items, net	<u>\$ 949</u>	<u>\$ 37</u>

⁽¹⁾ Labor contract expenses relate to one-time charges resulting from the ratification of a new collective bargaining agreement with American's mainline pilots, including a one-time payment of \$754 million as well as adjustments to other benefit-related items of \$229 million.

Nonoperating Results

	Three Months Ended September 30,		Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
	(In millions, except percentage changes)			
Interest income	\$ 297	\$ 111	\$ 186	nm
Interest expense, net	(555)	(482)	(73)	15.3
Other income (expense), net	(99)	156	(255)	nm
Total nonoperating expense, net	<u>\$ (357)</u>	<u>\$ (215)</u>	<u>\$ (142)</u>	65.9

Interest income increased \$186 million in the third quarter of 2023 from the third quarter of 2022 primarily as a result of higher returns on American's short-term investments and related party receivables from AAG. Interest expense, net increased \$73 million, or 15.3%, in the third quarter of 2023 from the third quarter of 2022 primarily due to higher interest rates on American's variable-rate debt instruments and related party payables from AAG's wholly-owned subsidiaries, offset in part by debt repayments.

In the third quarter of 2023, other nonoperating expense, net primarily included \$101 million of net special charges principally associated with mark-to-market net unrealized losses associated with certain equity investments and debt extinguishments, offset in part by \$15 million of non-service related pension and other postretirement benefit plan income.

In the third quarter of 2022, other nonoperating income, net primarily included \$103 million of non-service related pension and other postretirement benefit plan income and \$57 million of net special credits for mark-to-market net unrealized gains associated with certain equity investments.

The decrease in non-service related pension and other postretirement benefit plan income in the third quarter of 2023 as compared to the third quarter of 2022 is principally due to an increase in interest cost for the pension and other postretirement benefit obligations driven by higher discount rates and a decrease in expected return on pension plan assets from a reduction in plan assets.

Income Taxes

American is a member of AAG's consolidated federal and certain state income tax returns.

In the third quarter of 2023, American recorded an income tax benefit of \$107 million. Substantially all of American's income or loss before income taxes is attributable to the United States.

See Note 5 to American's Condensed Consolidated Financial Statements in Part I, Item 1B for additional information on income taxes.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

Operating Revenues

	Nine Months Ended September 30,		Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
	(In millions, except percentage changes)			
Passenger	\$ 36,502	\$ 32,438	\$ 4,064	12.5
Cargo	613	970	(357)	(36.8)
Other	2,608	2,370	238	10.0
Total operating revenues	<u>\$ 39,723</u>	<u>\$ 35,778</u>	<u>\$ 3,945</u>	11.0

Passenger revenue increased \$4.1 billion, or 12.5%, in the first nine months of 2023 from the first nine months of 2022 primarily due to continued strength in demand for air travel, resulting in an increase in RPMs, passenger yield and load factor in the first nine months of 2023.

Cargo revenue decreased \$357 million, or 36.8%, in the first nine months of 2023 from the first nine months of 2022 primarily due to decreases in cargo yield and cargo ton miles driven by lower demand and increased air freight capacity.

Other operating revenue increased \$238 million, or 10.0%, in the first nine months of 2023 from the first nine months of 2022, driven primarily by higher revenue associated with American's loyalty program. During the nine months ended September 30, 2023 and 2022, cash payments from co-branded credit card and other partners were \$4.0 billion and \$3.4 billion, respectively.

Total operating revenues in the first nine months of 2023 increased \$3.9 billion, or 11.0%, from the first nine months of 2022, driven primarily by the increase in passenger revenue as described above.

Operating Expenses

	Nine Months Ended September 30,		Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
	(In millions, except percentage changes)			
Aircraft fuel and related taxes	\$ 9,098	\$ 10,369	\$ (1,271)	(12.3)
Salaries, wages and benefits	10,885	9,768	1,117	11.4
Regional expenses	3,442	3,253	189	5.8
Maintenance, materials and repairs	2,389	1,949	440	22.6
Other rent and landing fees	2,214	2,081	133	6.4
Aircraft rent	1,031	1,045	(14)	(1.4)
Selling expenses	1,357	1,331	26	1.9
Depreciation and amortization	1,449	1,480	(31)	(2.1)
Mainline operating special items, net	962	189	773	nm
Other	4,488	4,039	449	11.1
Total operating expenses	\$ 37,315	\$ 35,504	\$ 1,811	5.1

Significant changes in the components of American's total operating expenses are as follows:

Aircraft fuel and related taxes decreased \$1.3 billion, or 12.3%, in the first nine months of 2023 from the first nine months of 2022 primarily due to a 17.5% decrease in the average price per gallon of aircraft fuel including related taxes to \$2.93 in the first nine months of 2023 from \$3.55 in the first nine months of 2022, offset in part by a 6.3% increase in gallons of fuel consumed due to increased capacity.

Salaries, wages and benefits increased \$1.1 billion, or 11.4%, in the first nine months of 2023 from the first nine months of 2022 primarily driven by higher wage rates associated with the ratification of a new collective bargaining agreement with American's mainline pilots and higher profit sharing program accruals as a result of increased profitability.

Regional expenses increased \$189 million, or 5.8%, in the first nine months of 2023 from the first nine months of 2022 primarily due to pay rate increases at American's regional carriers effective in the second and third quarters of 2022.

Maintenance, materials and repairs increased \$440 million, or 22.6%, in the first nine months of 2023 from the first nine months of 2022 primarily due to increased costs for engine overhauls and airframe heavy checks driven by higher volume, flight hours and cost of materials.

Other rent and landing fees increased \$133 million, or 6.4%, in the first nine months of 2023 from the first nine months of 2022 primarily due to rate increases at certain airports, incremental engine leases and higher landing fees.

Selling expenses increased \$26 million, or 1.9%, in the first nine months of 2023 from the first nine months of 2022 primarily due to higher credit card fees driven by the overall increase in passenger revenues, offset in part by a decrease in commissions expense.

Other operating expenses increased \$449 million, or 11.1%, in the first nine months of 2023 from the first nine months of 2022 primarily driven by the increase in flight operations, including increased costs for aircraft food and catering, crew travel, airport lounge operations and ground handling, as well as certain general and administrative expenses.

Operating Special Items, Net

	Nine Months Ended September 30,	
	2023	2022
	(In millions)	
Labor contract expenses ⁽¹⁾	\$ 983	\$ —
Severance expenses	21	—
Fleet impairment ⁽²⁾	—	149
Litigation reserve adjustments	—	37
Other operating special items, net	(42)	3
Mainline operating special items, net	<u>\$ 962</u>	<u>\$ 189</u>

⁽¹⁾ Labor contract expenses relate to one-time charges resulting from the ratification of a new collective bargaining agreement with American's mainline pilots, including a one-time payment of \$754 million as well as adjustments to other benefit-related items of \$229 million.

⁽²⁾ Fleet impairment included a non-cash impairment charge to write down the carrying value of American's retired Airbus A330 fleet to the estimated fair value due to the market conditions for certain used aircraft. American retired its Airbus A330 fleet in 2020 as a result of the decline in demand for air travel due to the COVID-19 pandemic.

Nonoperating Results

	Nine Months Ended September 30,		Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
	(In millions, except percentage changes)			
Interest income	\$ 810	\$ 162	\$ 648	nm
Interest expense, net	(1,668)	(1,342)	(326)	24.2
Other income (expense), net	(119)	274	(393)	nm
Total nonoperating expense, net	<u>\$ (977)</u>	<u>\$ (906)</u>	<u>\$ (71)</u>	7.8

Interest income increased \$648 million in the first nine months of 2023 from the first nine months of 2022 primarily as a result of higher returns on American's short-term investments and related party receivables from AAG. Interest expense, net increased \$326 million, or 24.2%, in the first nine months of 2023 from the first nine months of 2022 primarily due to higher interest rates on American's variable-rate debt instruments and related party payables from AAG's wholly-owned subsidiaries, offset in part by debt repayments.

In the first nine months of 2023, other nonoperating expense, net primarily included \$146 million of net special charges principally associated with debt refinancings and extinguishments and mark-to-market net unrealized losses associated with certain equity investments, offset in part by \$31 million of non-service related pension and other postretirement benefit plan income.

In the first nine months of 2022, other nonoperating income, net primarily included \$314 million of non-service related pension and other postretirement benefit plan income, offset in part by \$32 million of net special charges principally for mark-to-market net unrealized losses associated with certain equity investments.

The decrease in non-service related pension and other postretirement benefit plan income in the first nine months of 2023 as compared to the first nine months of 2022 is principally due to an increase in interest cost for the pension and other postretirement benefit obligations driven by higher discount rates and a decrease in expected return on pension plan assets from a reduction in plan assets.

Income Taxes

American is a member of AAG's consolidated federal and certain state income tax returns.

In the first nine months of 2023, American recorded an income tax provision of \$375 million. Substantially all of American's income or loss before income taxes is attributable to the United States.

See Note 5 to American's Condensed Consolidated Financial Statements in Part I, Item 1B for additional information on income taxes.

Liquidity and Capital Resources

Liquidity

At September 30, 2023, AAG had \$13.5 billion in total available liquidity and \$925 million in restricted cash and short-term investments. Additional detail regarding our available liquidity is provided in the table below (in millions):

	AAG		American	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Cash	\$ 577	\$ 440	\$ 567	\$ 429
Short-term investments	10,005	8,525	10,002	8,523
Undrawn facilities	2,868	3,033	2,868	3,033
Total available liquidity	\$ 13,450	\$ 11,998	\$ 13,437	\$ 11,985

In the ordinary course of our business, we or our affiliates may, at any time and from time to time, seek to prepay, retire or repurchase our outstanding debt through cash purchases and/or exchanges for equity or debt, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases, prepayments, retirements or exchanges, if any, will be conducted on such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, legal and contractual restrictions and other factors. The amounts involved may be material.

Certain Covenants

Our debt agreements contain customary terms and conditions as well as various affirmative, negative and financial covenants that, among other things, may restrict the ability of us and our subsidiaries to incur additional indebtedness, pay dividends or repurchase stock. Our debt agreements also contain customary change of control provisions, which may require us to repay or redeem such indebtedness upon certain events constituting a change of control under the relevant agreement, in certain cases at a premium. Additionally, certain of our debt financing agreements (including our secured notes, term loans, revolving credit facilities and spare engine EETCs) contain loan to value (LTV), collateral coverage or peak debt service coverage ratio covenants and certain agreements require us to appraise the related collateral annually or semiannually. Pursuant to such agreements, if the applicable LTV, collateral coverage or peak debt service coverage ratio exceeds or falls below a specified threshold, as the case may be, we will be required, as applicable, to pledge additional qualifying collateral (which in some cases may include cash or investment securities), withhold additional cash in certain accounts, or pay down such financing, in whole or in part, or the interest rate for the relevant financing will be increased. As of the most recent applicable measurement dates, we were in compliance with each of the foregoing LTV, collateral coverage and peak debt service coverage tests. Additionally, a significant portion of our debt financing agreements contain covenants requiring us to maintain an aggregate of at least \$2.0 billion of unrestricted cash and cash equivalents and amounts available to be drawn under revolving credit facilities, and our 5.50% senior secured notes due 2026, 5.75% senior secured notes due 2029 and AAdvantage Term Loan Facility (collectively, the AAdvantage Financing) contains a peak debt service coverage ratio, pursuant to which failure to comply with a certain threshold may result in early repayment, in whole or in part, of the AAdvantage Financing.

Sources and Uses of Cash

AAG

Operating Activities

Our net cash provided by operating activities was \$5.2 billion and \$2.3 billion for the first nine months of 2023 and 2022, respectively, a \$2.8 billion period-over-period increase due to a return to profitability and net increases in working capital. As a result of the ratification of a new collective bargaining agreement with our mainline pilots, as of September 30, 2023, we recorded accruals for additional compensation for the 2023 period prior to contract ratification to reflect the higher wage rates effective as of January 1, 2023, a one-time payment, as well as adjustments to other benefit-related items. The one-time payment and the additional compensation was principally paid in October 2023, with remaining payments expected to be paid in the first quarter of 2024.

Investing Activities

Our net cash used in investing activities was \$2.7 billion and \$916 million for the first nine months of 2023 and 2022, respectively.

Our principal investing activities in the first nine months of 2023 included \$1.8 billion of capital expenditures, which primarily related to the purchase of 11 Boeing 737 MAX aircraft, six Embraer 175 aircraft, three used Bombardier CRJ 900 aircraft, two Airbus A321neo aircraft and 22 spare engines. Additionally, we had \$1.5 billion in net purchases of short-term investments. These cash outflows were offset in part by \$219 million of proceeds from sale-leaseback transactions and sale of property and equipment.

Our principal investing activities in the first nine months of 2022 included \$1.9 billion of capital expenditures, which primarily related to the purchase of 17 Airbus A321neo aircraft and 12 spare engines. We also purchased \$205 million of equity investments, principally related to our investment in GOL Linhas Aéreas Inteligentes S.A. (GOL).

Financing Activities

Our net cash used in financing activities was \$2.4 billion and \$1.3 billion for the first nine months of 2023 and 2022, respectively.

Our principal financing activities in the first nine months of 2023 included \$2.3 billion in net repayments of debt and finance lease obligations primarily due to scheduled debt repayments. We refinanced approximately \$1.8 billion in aggregate principal amount of term loans outstanding under the 2013 Term Loan Facility by extending the maturity of \$1.0 billion in term loans under the 2013 Term Loan Facility and issuing \$750 million in aggregate principal amount of the 7.25% Senior Secured Notes. In addition, we borrowed \$663 million in connection with the financing of certain aircraft and repurchased \$552 million of secured and unsecured notes in the open market.

Our principal financing activities in the first nine months of 2022 included \$2.0 billion in repayments of debt and finance lease obligations, consisting of \$1.7 billion in scheduled debt repayments including the repayment of \$401 million in connection with the maturity of our 5.000% unsecured notes, and the repurchase of \$349 million of unsecured notes in the open market. These cash outflows were offset in part by \$699 million of long-term debt proceeds from the issuance of equipment notes related to enhanced equipment trust certificates (EETCs).

American

Operating Activities

American's net cash provided by operating activities was \$5.1 billion and \$1.5 billion for the first nine months of 2023 and 2022, respectively, a \$3.6 billion period-over-period increase due to a return to profitability and net increases in working capital. As a result of the ratification of a new collective bargaining agreement with American's mainline pilots, as of September 30, 2023, American recorded accruals for additional compensation for the 2023 period prior to contract ratification to reflect the higher wage rates effective as of January 1, 2023, a one-time payment, as well as adjustments to other benefit-related items. The one-time payment and the additional compensation was principally paid in October 2023, with remaining payments expected to be paid in the first quarter of 2024.

Investing Activities

American's net cash used in investing activities was \$2.6 billion and \$874 million for the first nine months of 2023 and 2022, respectively.

American's principal investing activities in the first nine months of 2023 included \$1.7 billion of capital expenditures, which primarily related to the purchase of 11 Boeing 737 MAX aircraft, six Embraer 175 aircraft, three used Bombardier CRJ 900 aircraft, two Airbus A321neo aircraft and 22 spare engines. Additionally, American had \$1.5 billion in net purchases of short-term investments. These cash outflows were offset in part by \$219 million of proceeds from sale-leaseback transactions and sale of property and equipment.

American's principal investing activities in the first nine months of 2022 included \$1.8 billion of capital expenditures, which primarily related to the purchase of 17 Airbus A321neo aircraft and 12 spare engines. American also purchased \$205 million of equity investments, principally related to its investment in GOL.

Financing Activities

American's net cash used in financing activities was \$2.4 billion and \$570 million for the first nine months of 2023 and 2022, respectively.

American's principal financing activities in the first nine months of 2023 included \$2.3 billion in net repayments of debt and finance lease obligations primarily due to scheduled debt repayments. American refinanced approximately \$1.8 billion in aggregate principal amount of term loans outstanding under the 2013 Term Loan Facility by extending the maturity of \$1.0 billion in term loans under the 2013 Term Loan Facility and issuing \$750 million in aggregate principal amount of the 7.25% Senior Secured Notes. In addition, American borrowed \$663 million in connection with the financing of certain aircraft and repurchased \$539 million of secured notes in the open market.

American's principal financing activities in the first nine months of 2022 included \$1.3 billion in repayments of debt and finance lease obligations, offset in part by \$699 million of long-term debt proceeds from the issuance of equipment notes related to EETCs.

Commitments

Significant Indebtedness

As of September 30, 2023, AAG had \$33.3 billion in long-term debt, including current maturities of \$3.6 billion. As of September 30, 2023, American had \$28.0 billion in long-term debt, including current maturities of \$3.6 billion. All material changes in our significant indebtedness since our 2022 Form 10-K are discussed in Note 5 to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A and Note 4 to American's Condensed Consolidated Financial Statements in Part I, Item 1B.

Aircraft and Engine Purchase Commitments

As of September 30, 2023, we had definitive purchase agreements for the acquisition of the following new aircraft ⁽¹⁾:

	Remainder of 2023	2024	2025	2026	2027	2028 and Thereafter	Total
Airbus							
A320neo Family	—	3	21	35	5	—	64
Boeing							
737 MAX Family	4	25	30	21	—	—	80
787 Family ⁽²⁾	—	7	4	4	5	10	30
Embraer							
175 ⁽³⁾	1	10	—	—	—	—	11
Total	5	45	55	60	10	10	185

⁽¹⁾ Delivery schedule represents our best estimate as of the date of this report as described in footnote (d) to the "Contractual Obligations" table below. Actual delivery dates are subject to change, which could be material, based on various potential factors including production delays by the manufacturer and regulatory concerns.

⁽²⁾ In August 2023, we restructured the delivery stream of the Boeing 787-9 aircraft we have on order through the end of this decade, shifting certain of these deliveries to later years. The table above and the "Contractual Obligations" table below reflect this revised schedule.

⁽³⁾ In October 2023, we entered into a purchase agreement with Embraer to purchase an additional four aircraft. The table above and the “*Contractual Obligations*” table below reflect this agreement.

In addition, we have committed to purchase ten used Airbus A321neo aircraft which are scheduled to be delivered through January 2024 and four used Bombardier CRJ 900 aircraft which are scheduled to be delivered in the fourth quarter of 2023. We also have agreements for 50 spare engines to be delivered in the fourth quarter of 2023 and beyond. The “*Contractual Obligations*” table below reflects these commitments.

We currently have financing commitments in place for all Boeing 737 MAX Family aircraft on order and scheduled to be delivered in the remainder of 2023. Our ability to draw on the financing commitments we have in place is subject to (1) the satisfaction of various terms and conditions including, in some cases, on our acquisition of the aircraft by a certain date and (2) the performance by the relevant financing counterparty of its obligations thereunder. We do not have financing commitments in place for any aircraft scheduled to be delivered in 2024 and beyond, except for five Boeing 787 Family aircraft and four Boeing 737 MAX Family aircraft scheduled to be delivered in 2024.

Off-Balance Sheet Arrangements

An off-balance sheet arrangement is any transaction, agreement or other contractual arrangement involving an unconsolidated entity under which a company has (1) made guarantees, (2) a retained or a contingent interest in transferred assets, (3) an obligation under derivative instruments classified as equity or (4) any obligation arising out of a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to us, or that engages in leasing, hedging or research and development arrangements with us.

There have been no material changes in our off-balance sheet arrangements as discussed in our 2022 Form 10-K.

Labor Contracts

On August 21, 2023, a new four-year collective bargaining agreement was ratified between American and the Allied Pilots Association. The new agreement will significantly increase the cost of providing compensation and benefits to our mainline pilots.

Contractual Obligations

The following table provides details of our estimated material cash requirements from contractual obligations as of September 30, 2023 (in millions). The table does not include commitments that are contingent on events or other factors that are uncertain or unknown at this time and is subject to other conventions as set forth in the applicable accompanying footnotes.

	Payments Due by Period							Total
	Remainder of 2023	2024	2025	2026	2027	2028 and Thereafter		
American								
Long-term debt:								
Principal amount ^{(a), (c)}	\$ 956	\$ 3,575	\$ 5,623	\$ 4,540	\$ 4,576	\$ 8,774	\$ 28,044	
Interest obligations ^{(b), (c)}	364	1,751	1,460	918	597	695	5,785	
Finance lease obligations	79	152	142	116	73	121	683	
Aircraft and engine purchase commitments ^(d)	625	2,412	3,471	3,601	1,120	1,474	12,703	
Operating lease commitments	496	1,822	1,533	1,260	1,063	4,841	11,015	
Regional capacity purchase agreements ^(e)	591	2,096	1,998	1,367	995	1,443	8,490	
Minimum pension obligations ^(f)	—	301	328	385	305	603	1,922	
Retiree medical and other postretirement benefits	22	120	123	126	124	549	1,064	
Other purchase obligations ^(g)	1,851	4,760	1,769	1,340	150	966	10,836	
Total American Contractual Obligations	4,984	16,989	16,447	13,653	9,003	19,466	80,542	
AAG Parent and Other AAG Subsidiaries								
Long-term debt:								
Principal amount ^(a)	—	—	1,487	—	—	3,746	5,233	
Interest obligations ^(b)	—	121	153	183	224	693	1,374	
Finance lease obligations	—	10	—	—	—	—	10	
Operating lease commitments	6	16	11	10	5	28	76	
Minimum pension obligations ^(f)	1	2	2	2	2	8	17	
Total AAG Contractual Obligations	\$ 4,991	\$ 17,138	\$ 18,100	\$ 13,848	\$ 9,234	\$ 23,941	\$ 87,252	

(a) Amounts represent contractual amounts due. Excludes \$347 million and \$15 million of unamortized debt discount, premium and issuance costs as of September 30, 2023 for American and AAG Parent, respectively. For additional information, see Note 5 and Note 4 to AAG's and American's Condensed Consolidated Financial Statements in Part I, Items 1A and 1B, respectively.

(b) For variable-rate debt, future interest obligations are estimated using the current forward rates at September 30, 2023.

(c) Includes \$8.0 billion of future principal payments and \$1.1 billion of future interest payments as of September 30, 2023, related to EETCs associated with mortgage financings of certain aircraft and spare engines.

(d) See "Aircraft and Engine Purchase Commitments" above for additional information about the firm commitment aircraft delivery schedule, in particular the footnote to the table thereunder as to potential changes to such delivery schedule. Due to uncertainty surrounding the timing of delivery of certain aircraft, the amounts in the table represent our most current estimate based on contractual delivery schedules adjusted for updates and revisions to such schedules communicated to management by the applicable equipment manufacturer. However, the actual delivery schedule may differ, potentially materially, based on various potential factors including production delays by the manufacturer and regulatory concerns. Additionally, the amounts in the table exclude five Boeing 787-9 aircraft scheduled to be delivered in 2024, for which we have obtained committed lease financing. This financing is reflected in the operating lease commitments line above.

- (e) Represents minimum payments under capacity purchase agreements with third-party regional carriers. These commitments are estimates of costs based on assumed minimum levels of flying under the capacity purchase agreements and American's actual payments could differ materially. Rental payments under operating leases for certain aircraft flown under these capacity purchase agreements are reflected in the operating lease commitments line above.
- (f) Represents minimum pension contributions based on actuarially determined estimates as of December 31, 2022 and is based on estimated payments through 2032. During the first nine months of 2023, we made required contributions of \$68 million to our defined benefit pension plans.
- (g) Includes purchase commitments for aircraft fuel, flight equipment maintenance, information technology support and construction projects and excludes obligations under certain fuel offtake agreements or other agreements for which the timing of the related expenditure is uncertain, or which are subject to material contingencies, such as the construction of a production facility.

Capital Raising Activity and Other Possible Actions

In light of our significant financial commitments related to, among other things, the servicing and amortization of existing debt and equipment leasing arrangements and new flight equipment, we and our subsidiaries will regularly consider, and enter into negotiations related to, capital raising and liability management activity, which may include the entry into leasing transactions and future issuances of, and transactions designed to manage the timing and amount of, secured or unsecured debt obligations or additional equity or equity-linked securities in public or private offerings or otherwise. The cash available from operations (if any) and these sources, however, may not be sufficient to cover our cash obligations because economic factors may reduce the amount of cash generated by operations or increase costs. For instance, an economic downturn or general global instability caused by military actions, terrorism, disease outbreaks (such as occurred during the COVID-19 pandemic), natural disasters or other causes could reduce the demand for air travel, which would reduce the amount of cash generated by operations. An increase in costs, either due to an increase in borrowing costs caused by a reduction in credit ratings or a general increase in interest rates, or due to an increase in the cost of fuel, maintenance, aircraft, aircraft engines or parts, could decrease the amount of cash available to cover cash contractual obligations. Moreover, certain of our financing arrangements contain significant minimum cash balance or similar liquidity requirements. As a result, we cannot use all of our available cash to fund operations, capital expenditures and cash obligations without violating these requirements. See Note 5 and Note 4 to AAG's and American's Condensed Consolidated Financial Statements in Part I, Items 1A and 1B, respectively.

In the past, we have from time to time refinanced, redeemed or repurchased our debt and taken other steps to reduce or otherwise manage the aggregate amount and cost of our debt, lease and other obligations or otherwise improve our balance sheet. Going forward, depending on market conditions, our cash position and other considerations, we may continue to take such actions.

Critical Accounting Policies and Estimates

For information regarding our critical accounting policies and estimates, see disclosures in the Consolidated Financial Statements and accompanying notes contained in our 2022 Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

AAG's and American's Market Risk Sensitive Instruments and Positions

Our primary market risk exposures include the price of aircraft fuel, foreign currency exchange rates and interest rate risk. Our exposure to these market risks has not changed materially from our exposure discussed in our 2022 Form 10-K except as updated below.

Aircraft Fuel

As of September 30, 2023, we did not have any fuel hedging contracts outstanding to hedge our fuel consumption. Our current policy is not to enter into transactions to hedge our fuel consumption, although we review that policy from time to time based on market conditions and other factors. As such, and assuming we do not enter into any future transactions to hedge our fuel consumption, we will continue to be fully exposed to fluctuations in fuel prices. Based on our 2023 forecasted fuel consumption, we estimate that a one cent per gallon increase in the price of aircraft fuel would increase our 2023 annual fuel expense by approximately \$40 million.

Foreign Currency

We are exposed to the effect of foreign exchange rate fluctuations on the U.S. dollar value of foreign currency-denominated transactions. Our largest exposure comes from the Euro, British pound sterling, Canadian dollar and various Latin American currencies (primarily the Brazilian real). We do not currently have a foreign currency hedge program.

Generally, fluctuations in foreign currencies, including devaluations, cannot be predicted by us and can significantly affect the value of our assets located outside the United States. These conditions, as well as any further delays, devaluations or imposition of more stringent repatriation restrictions, may materially adversely affect our business, results of operations and financial condition. See Part II, Item 1A. Risk Factors – *“We operate a global business with international operations that are subject to economic and political instability and have been, and in the future may continue to be, adversely affected by numerous events, circumstances or government actions beyond our control”* for additional discussion of this and other currency risks.

Interest

Our earnings and cash flow are affected by changes in interest rates due to the impact those changes have on our interest expense from variable-rate debt instruments and our interest income from short-term, interest-bearing investments. If annual interest rates increase 100 basis points, based on our September 30, 2023 variable-rate debt and short-term investments balances, annual interest expense on variable rate debt would increase by approximately \$90 million and annual interest income on short-term investments would increase by approximately \$110 million.

In anticipation of the phase-out of the London Interbank Offered Rate (LIBOR) as a reference rate in June 2023, the U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, has chosen the Secured Overnight Financing Rate (SOFR), and specifically Term SOFR, as the recommended risk-free reference rate for the U.S. (calculated based on repurchase agreements backed by Treasury securities). Prior to the discontinuation of LIBOR, we amended substantially all of our LIBOR-based financing arrangements to transition them to successor rates, primarily Term SOFR. We cannot predict the extent to which Term SOFR will gain widespread acceptance as a replacement for LIBOR, the consequences of the replacement of LIBOR on financial markets generally or on our business, financial condition or results of operations specifically, and our transition to successor rates could cause the amount of interest payable on our long-term debt to be different or higher than expected.

ITEM 4. CONTROLS AND PROCEDURES

Management’s Evaluation of Disclosure Controls and Procedures

The term “disclosure controls and procedures” is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act). This term refers to the controls and procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC’s rules and forms, and is accumulated and communicated to the company’s management, including the principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. An evaluation of the effectiveness of AAG’s and American’s disclosure controls and procedures as of September 30, 2023 was performed under the supervision and with the participation of AAG’s and American’s management, including AAG’s and American’s principal executive officer, the Chief Executive Officer (CEO), and principal financial officer, the Chief Financial Officer (CFO). Based on that evaluation, AAG’s and American’s management, including AAG’s and American’s CEO and CFO, concluded that AAG’s and American’s disclosure controls and procedures were effective as of September 30, 2023 at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

For the quarter ended September 30, 2023, there have been no changes in AAG’s or American’s internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, AAG’s and American’s internal control over financial reporting.

Limitation on the Effectiveness of Controls

We believe that a controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, and, as noted above, the CEO and CFO of AAG and American believe that our disclosure controls and procedures were effective at the reasonable assurance level as of September 30, 2023.

PART II: OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 12 to each of AAG and American's Condensed Consolidated Financial Statements in Part I, Item 1A and Part I, Item 1B, respectively, for information on legal proceedings.

ITEM 1A. RISK FACTORS

Below are certain risk factors that may affect our business, results of operations and financial condition, or the trading price of our common stock or other securities. We caution the reader that these risk factors may not be exhaustive. We operate in a continually changing business environment, and new risks and uncertainties emerge from time to time. Management cannot predict such new risks and uncertainties, nor can it assess the extent to which any of the risk factors below or any such new risks and uncertainties, or any combination thereof, may impact our business.

Risks Related to our Business and Industry

Downturns in economic conditions could adversely affect our business.

Due to the discretionary nature of business and leisure travel spending and the highly competitive nature of the airline industry, our revenues are heavily influenced by the condition of the U.S. economy and economies in other regions of the world. Unfavorable conditions in these broader economies have resulted, and may result in the future, in decreased passenger demand for air travel, changes in booking practices and related reactions by our competitors, all of which in turn have had, and may have in the future, a strong negative effect on our business. For example, the COVID-19 pandemic and associated decline in economic activity and increase in unemployment levels had a severe and prolonged effect on the global economy generally and, in turn, resulted in a prolonged period of depressed demand for air travel. In addition, a rapid economic expansion following the height of the COVID-19 pandemic resulted in significant inflationary pressures and volatility in certain currencies, which have increased our costs for aircraft fuel, wages and benefits and other goods and services we require to operate our business, as well as increasing the interest expense on our variable-rate indebtedness.

We will need to obtain sufficient financing or other capital to operate successfully.

Our business plan contemplates continued significant investments related to our fleet, improving the experience of our customers and updating our facilities. Significant capital resources will be required to execute this plan. We estimate that, based on our commitments as of September 30, 2023, our planned aggregate expenditures for aircraft purchase commitments and certain engines on a consolidated basis for the remainder of 2023 through 2027 would be approximately \$11.2 billion. We may also require financing to refinance maturing obligations and to provide liquidity to fund other corporate requirements. Accordingly, we will need substantial liquidity, financing or other capital resources to finance such aircraft and engines and meet such other liquidity needs. If needed, it may be difficult for us to raise additional capital on acceptable terms, or at all, due to, among other factors: our substantial level of existing indebtedness, particularly following the additional liquidity transactions completed in response to the impact of the COVID-19 pandemic; our non-investment grade credit rating; volatile or otherwise unfavorable market conditions; and the availability of assets to use as collateral for loans or other indebtedness, which has been reduced significantly as a result of certain financing transactions we have undertaken since the beginning of 2020 and may be further reduced. If we are unable to arrange any such required financing at customary advance rates and on terms and conditions acceptable to us, we may need to use cash from operations or cash on hand to purchase aircraft and engines or fund our other corporate requirements, or may seek to negotiate deferrals for such aircraft and engines with the applicable manufacturers or otherwise defer corporate obligations. Depending on numerous factors applicable at the time we seek capital, many of which are out of our control, such as the state of the domestic and global economies, the capital and credit markets' view of our prospects and the airline industry in general, and the general availability of debt and equity capital, the financing or other capital resources that we will need may not be available to us, or may be available only on onerous terms and conditions. Furthermore, we hold significant balances of cash and short-term investments, including as necessary to conduct our day-to-day operations, some of which are held in deposit accounts at commercial banks in excess of the government-provided deposit insurance. There can be no assurance that we will be successful in obtaining financing or other needed sources of capital to operate successfully or to fund our committed expenditures. An inability to obtain necessary financing on acceptable terms would limit our ability to execute necessary capital projects and would have a material adverse impact on our business, results of operations and financial condition.

Our high level of debt and other obligations may limit our ability to fund general corporate requirements and obtain additional financing, may limit our flexibility in responding to competitive developments and may cause our business to be vulnerable to adverse economic and industry conditions.

We have significant amounts of indebtedness and other financial obligations, including pension obligations, obligations to make future payments on flight equipment and property leases related to airport and other facilities, and substantial non-cancelable obligations under aircraft and related spare engine purchase agreements. Moreover, currently a very significant portion of our assets are pledged to secure our indebtedness. Our substantial indebtedness and other obligations, which are generally greater than the indebtedness and other obligations of our competitors, could have important consequences. For example, they may:

- make it more difficult for us to satisfy our obligations under our indebtedness;
- limit our ability to obtain additional funding for working capital, capital expenditures, acquisitions, investments and general corporate purposes, and adversely affect the terms on which such funding can be obtained;
- require us to dedicate a substantial portion of our liquidity or cash flow from operations to payments on our indebtedness and other obligations, thereby reducing the funds available for other purposes;
- make us more vulnerable to economic downturns, industry conditions and catastrophic external events, particularly relative to competitors with lower relative levels of financial leverage;
- significantly constrain our ability to respond, or respond quickly, to unexpected disruptions in our own operations, the U.S. or global economies, or the businesses in which we operate, or to take advantage of opportunities that would improve our business, operations, or competitive position versus other airlines;
- limit our ability to withstand competitive pressures and reduce our flexibility in responding to changing business and economic conditions;
- bear interest at floating rates, subjecting us to volatility in interest expenses as interest rates fluctuate;
- contain covenants requiring us to maintain an aggregate of at least \$2.0 billion of unrestricted cash and cash equivalents and amounts available to be drawn under revolving credit facilities and collateral coverage ratios and peak debt service coverage ratios; and
- contain restrictive covenants that could, among other things:
 - limit our ability to merge, consolidate, sell assets, incur additional indebtedness, issue preferred stock, make investments and pay dividends; and
 - if breached, result in an event of default under our other indebtedness.

In addition, during the COVID-19 pandemic we were required to obtain a significant amount of additional financing from a variety of sources and we cannot guarantee that we will not need to obtain additional financing in the future. Such financing may include the issuance of additional unsecured or secured debt securities, equity securities and equity-linked securities as well as additional bilateral and syndicated secured and/or unsecured credit facilities, among other items. There can be no assurance as to the timing of any such financing transactions, which may be in the near term, or that we will be able to obtain such additional financing on favorable terms, or at all. Any such actions may be material in nature, could result in the incurrence and issuance of significant additional indebtedness or equity and could impose significant covenants and restrictions to which we are not currently subject. Moreover, as a result of the financing activities we undertook in response to the COVID-19 pandemic, the number of financings with respect to which such covenants and provisions apply has increased, thereby subjecting us to more substantial risk of cross-default and cross-acceleration in the event of breach, and additional covenants and provisions could become binding on us should we seek additional liquidity in the future.

The obligations discussed above, including those imposed as a result of any additional financings we may be required to undertake, could also impact our ability to obtain additional financing, if needed, and our flexibility in the conduct of our business, and could materially adversely affect our liquidity, results of operations and financial condition.

Further, a substantial amount of our long-term indebtedness bears interest at floating interest rates, which tend to fluctuate based on general short-term interest rates, rates set by the U.S. Federal Reserve and other central banks, the supply of and demand for credit in Treasury repurchase or other markets and general economic conditions. We have not hedged our interest rate exposure with respect to our floating rate debt. Accordingly, our interest expense for any particular period will fluctuate based on the relevant benchmark rate and other variable interest rates. In 2022 and continuing into 2023, in response to rising inflation which coincided with a rapid rebound of economic activity as governments lifted restrictions and economies reopened following the COVID-19 pandemic, central banks around the world—including the U.S. Federal Reserve, the European Central Bank and the Bank of England—commenced a cycle of raising interest rates, which has consequently increased the interest we pay on our floating-rate indebtedness. To the extent the interest rates applicable to our floating rate debt remain elevated or continue to increase, our interest expense will increase, in which event we may have difficulties making interest payments and funding our other fixed costs, and our available cash flow for general corporate requirements may be adversely affected.

In anticipation of the phase-out of LIBOR as a reference rate in June 2023, the U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, has chosen SOFR, and specifically Term SOFR, as the recommended risk-free reference rate for the U.S. (calculated based on repurchase agreements backed by Treasury securities). Prior to the discontinuation of LIBOR, we amended substantially all of our LIBOR-based financing arrangements to transition them to successor rates, primarily Term SOFR. We cannot predict the extent to which Term SOFR will gain widespread acceptance as a replacement for LIBOR, the consequences of the replacement of LIBOR on financial markets generally or on our business, financial condition or results of operations specifically, and our transition to successor rates could cause the amount of interest payable on our long-term debt to be different or higher than expected.

We have significant pension and other postretirement benefit funding obligations, which may adversely affect our liquidity, results of operations and financial condition.

Our pension funding obligations are significant. The amount of our pension funding obligations will depend on the performance of investments held in trust by the pension plans, interest rates for determining liabilities and actuarial experience. We also have significant obligations for retiree medical and other postretirement benefits.

Additionally, we participate in the IAM National Pension Fund (the IAM Pension Fund). The funding status of the IAM Pension Fund is subject to the risk that other employers may not meet their obligations, which under certain circumstances could cause our obligations to increase. On March 29, 2019, the actuary for the IAM Pension Fund certified that the fund was in “endangered” status despite reporting a funded status of over 80%. Additionally, the IAM Pension Fund’s Board voluntarily elected to enter into “critical” status on April 17, 2019. Upon entry into critical status, the IAM Pension Fund was required by law to adopt a rehabilitation plan aimed at restoring the financial health of the pension plan and did so on April 17, 2019 (the Rehabilitation Plan). Under the Rehabilitation Plan, American was subject to an immaterial contribution surcharge, which ceased to apply June 14, 2019 upon American’s mandatory adoption of a contribution schedule under the Rehabilitation Plan. The contribution schedule requires 2.5% annual increases to its contribution rate. This contribution schedule will remain in effect through the earlier of December 31, 2031 or the date the IAM Pension Fund emerges from critical status. Furthermore, if we were to withdraw from the IAM Pension Fund, if the IAM Pension fund were to terminate, or if the IAM Pension Fund were to undergo a mass withdrawal, we could be subject to liability as imposed by law.

If our financial condition worsens, provisions in our credit card processing and other commercial agreements may adversely affect our liquidity.

We have agreements with companies that process customer credit card transactions for the sale of air travel and other services. These agreements allow these credit card processing companies, under certain conditions (including, with respect to certain agreements, our failure to maintain certain levels of liquidity), to hold an amount of our cash (referred to as a holdback) equal to some or all of the advance ticket sales that have been processed by that credit card processor, but for which we have not yet provided the air transportation. Additionally, such credit card processing companies may require cash or other collateral reserves to be established. These credit card processing companies are not currently entitled to maintain any holdbacks pursuant to these requirements. These holdback requirements can be implemented at the discretion of the credit card processing companies upon the occurrence of specific events, including material adverse changes in our financial condition or the triggering of a liquidity covenant. The imposition of holdback requirements, up to and including 100% of relevant advanced ticket sales, would materially reduce our liquidity. Likewise, other of our commercial agreements contain provisions that allow counterparties to impose less-favorable terms, including the acceleration of amounts due, in the event of material adverse changes in our financial condition. For example, we

maintain certain letters of credit as well as insurance- and surety-related agreements under which counterparties may require collateral, including cash collateral.

The loss of key personnel upon whom we depend to operate our business or the inability to attract and develop additional qualified personnel could adversely affect our business.

We believe that our future success will depend in large part on our ability to attract, develop and retain highly qualified management, technical and other personnel. Retaining and recruiting people with the appropriate skills is particularly challenging as the economy in general, and the airline industry in particular, continue to recover from the COVID-19 pandemic, resulting in competition for the human resources necessary to operate our business successfully. We may not be successful in attracting, developing or retaining key personnel or other highly qualified personnel. In addition, competition for skilled personnel has intensified and may continue to intensify if overall industry capacity continues to increase and/or we were to incur attrition at levels higher than we have historically. Any inability to attract, develop and retain significant numbers of qualified management and other personnel would have a material adverse effect on our business, results of operations and financial condition.

Our business has been and will continue to be affected by many changing economic and other conditions beyond our control, including global events that affect travel behavior, and our results of operations could be volatile and fluctuate due to seasonality.

Our business, results of operations and financial condition have been and will continue to be affected by many changing economic and other conditions beyond our control, including, among others:

- actual or potential changes in international, national, regional and local economic, business and financial conditions, including recession, inflation and higher interest rates;
- the occurrence of wars, terrorist attacks and political instability;
- changes in consumer preferences, perceptions, spending patterns and demographic trends;
- changes in the competitive environment due to industry consolidation, changes in airline alliance affiliations and other factors;
- actual or potential disruptions to the U.S. National Airspace System (the ATC system);
- increases in costs of safety, security and environmental measures;
- outbreaks of diseases that affect travel behavior, such as occurred during the COVID-19 pandemic; and
- weather and natural disasters, including increases in frequency, severity or duration of such disasters, and related costs caused by more severe weather due to climate change.

The COVID-19 pandemic, along with the measures governments and private organizations worldwide implemented in an attempt to contain its spread, resulted in significant volatility in demand for air travel, which adversely affected our business, operations and financial condition to an unprecedented extent and for a prolonged period. Measures implemented during the COVID-19 pandemic—such as travel restrictions, including testing regimes, “stay at home” and quarantine orders, limitations on public gatherings, cancellation of public events and many others—initially resulted in a precipitous decline in demand for both domestic and international business and leisure travel. In response to this material deterioration in demand, we took a number of aggressive actions to ameliorate the impacts to our business, operations and financial condition. While cases have declined globally and governments have loosened or lifted COVID-related travel restrictions, the potential for a resurgence of COVID-19, including the emergence and spread of any new variants, and its after effects remain uncertain, and there can be no assurance that any mitigating actions we take in response will be sufficient to avert a deterioration in our business, financial condition and results of operations. Additionally, the COVID-19 pandemic necessitated changes in business practices which may persist. For example, businesses and other travelers may continue to forego air travel in favor of remote or flexible working policies and communication alternatives such as videoconferencing. In addition, businesses may seek to reduce travel costs by requiring the purchase of less expensive tickets, thereby potentially impacting our average revenue per available seat mile.

In addition to the effects of the COVID-19 pandemic, an outbreak of another contagious disease—such as has occurred in the past with the Ebola virus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu, Zika virus or any other similar illness—if it were to become associated with air travel or persist

for an extended period, could materially affect the airline industry and us by reducing revenues and adversely impacting our operations and passengers' travel behavior. As a result of these or other conditions beyond our control, our results of operations could be volatile and subject to rapid and unexpected change. In addition, due to generally weaker demand for air travel during the winter, our revenues in the first and fourth quarters of the year could be weaker than revenues in the second and third quarters of the year.

Union disputes, employee strikes and other labor-related disruptions, or our inability to otherwise maintain labor costs at competitive levels and hire and retain a sufficient number of employees may adversely affect our operations and financial performance.

Relations between air carriers and labor unions in the U.S. are governed by the Railway Labor Act (RLA). Under the RLA, collective bargaining agreements (CBAs) generally contain "amendable dates" rather than expiration dates, and the RLA requires that a carrier maintain the existing terms and conditions of employment following the amendable date through a multi-stage and usually lengthy series of bargaining processes overseen by the National Mediation Board (NMB). As of December 31, 2022, approximately 87% of our employees were represented for collective bargaining purposes by labor unions, and 48% were covered by CBAs that are currently amendable or that will become amendable within one year. For the dates that the CBAs with our major work groups become amendable under the RLA, see "Labor Relations" under Part I, Item 1. Business – "Sustainability – Our People" in our 2022 Form 10-K.

In the case of a CBA that is amendable under the RLA, if no agreement is reached during direct negotiations between the parties, either party may request that the NMB appoint a federal mediator. The RLA prescribes no timetable for the direct negotiation and mediation processes, and it is not unusual for those processes to last for many months or even several years. If no agreement is reached in mediation, the NMB in its discretion may declare that an impasse exists and proffer binding arbitration to the parties. Either party may decline to submit to arbitration, and if arbitration is rejected by either party, a 30-day "cooling off" period commences. During or after that period, a Presidential Emergency Board (PEB) may be established, which examines the parties' positions and recommends a solution. The PEB process lasts for 30 days and is followed by another 30-day "cooling off" period. At the end of this "cooling off" period, unless an agreement is reached or action is taken by Congress, the labor organization may exercise "self-help," such as a strike, which could materially adversely affect our business, results of operations and financial condition.

None of the unions representing our employees presently may lawfully engage in concerted slowdowns or refusals to work, such as strikes, sick-outs or other similar activity, against us. Nonetheless, there is a risk that employees, either with or without union involvement, could engage in one or more concerted refusals to work that could individually or collectively harm the operation of our airline and impair our financial performance. Additionally, some of our unions have brought and may continue to bring grievances to binding arbitration, including those related to wages. If successful, there is a risk these arbitral avenues could result in material additional costs that we did not anticipate. See also "Labor Relations" under Part I, Item 1. Business – "Sustainability – Our People" in our 2022 Form 10-K.

Currently, we believe our labor costs are generally competitive relative to the other large network carriers. However, personnel shortages, in particular for pilots, and general wage inflation stand to impact our labor costs moving forward. In July 2023 we reached a tentative agreement with the union representing our mainline pilots, which was subsequently ratified by the pilots in August 2023. The new agreement, which became effective in the third quarter of 2023, includes significant increases in pilot pay and benefits, in line with agreements recently concluded by our large network competitors with their pilots' unions. We remain in negotiations for several other new labor agreements, and anticipate that any new contracts we agree to with our labor groups will include material increases in salaries and other benefits, which will significantly increase our labor expense.

If we encounter problems with any of our third-party regional operators or third-party service providers, our operations could be adversely affected by a resulting decline in revenue or negative public perception about our services.

A significant portion of our regional operations are conducted by third-party operators on our behalf and are provided for under capacity purchase agreements. Due to our reliance on third parties to provide these essential services, we are subject to the risk of disruptions to their operations, which has in the past and may in the future result from many of the same risk factors disclosed in this report, such as the impact of adverse economic conditions, the inability of third parties to hire or retain skilled personnel, including in particular pilots and mechanics, and other risk factors, such as an out-of-court or bankruptcy restructuring of any of our regional operators. Several of these third-party regional operators provide significant regional capacity that we would be unable to replace in a short period of time should that operator fail to perform its obligations to us. Disruptions to capital markets, shortages of pilots, mechanics and other skilled personnel

and adverse economic conditions in general have subjected certain of these third-party regional operators to significant financial pressures, which have in the past and may in the future lead to bankruptcies among these operators. In particular, the severe decline in demand for air travel resulting from the COVID-19 pandemic and related governmental restrictions on travel materially impacted demand for services provided by our regional carriers and, as a result, we temporarily significantly reduced our regional capacity. Further, as airlines attempt to restore capacity in line with increased demand for air travel following the height of the COVID-19 pandemic, these third-party operators have experienced difficulties in recruiting and retaining sufficient personnel to operate significantly increased schedules, and have in some instances been required to offer significant increases in pay and other benefits to recruit and retain pilots and other personnel. Periods of volatility in travel demand have the potential to adversely affect our regional operators, some of whom may experience significant financial stress, declare bankruptcy or otherwise cease to operate. We may also experience disruption to our regional operations or incur financial damages if we terminate the capacity purchase agreement with one or more of our current operators or transition the services to another provider. Any significant disruption to our regional operations would have a material adverse effect on our business, results of operations and financial condition.

In addition, our reliance upon others to provide essential services on behalf of our operations may result in our relative inability to control the efficiency and timeliness of contract services. We have entered into agreements with contractors to provide various facilities and services required for our operations, including distribution and sale of airline seat inventory, reservations, provision of information technology and services, regional operations, aircraft maintenance, fueling, catering, ground services and facilities and baggage handling. Similar agreements may be entered into in any new markets we decide to serve. These agreements are generally subject to termination after notice by the third-party service provider. We are also at risk should one of these service providers cease operations, and there is no guarantee that we could replace these providers on a timely basis with comparably priced providers, or at all. These third parties are also facing challenges retaining and recruiting people with the appropriate skills to meet our requirements as the economy in general, and the airline industry in particular, continue to recover from the COVID-19 pandemic. The COVID-19 pandemic also caused significant disruption in global supply chains and staffing shortages, which have affected and may continue to affect the availability and timely delivery and fulfillment of many goods, including certain of those that we purchase directly or which are required by third parties to perform contracted services for us. We rely on the operation of complex supply chains and a large number of third parties for the procurement and fulfillment of parts, components, consumable or disposable goods and other products and services essential to our business. Following a faster than expected return of demand for air travel as COVID-19 cases declined worldwide and governments lifted travel restrictions, suppliers and many of the airports we serve experienced acute shortages of personnel, resulting in increased delays, cancellations and, in certain cases, restrictions on passenger numbers or the number of flights to or from certain airports. We cannot guarantee that, as a result of ongoing or future supply chain disruptions or staffing shortages, we, our third-party partners, or the airports we serve will be able to timely source all of the products and services we require in the course of our business, or that we will be successful in procuring suitable alternatives. Any material problems with the adequacy, efficiency and timeliness of contract services, resulting from financial hardships, personnel shortages or otherwise, could have a material adverse effect on our business, results of operations and financial condition.

Any damage to our reputation or brand image could adversely affect our business or financial results.

Maintaining a good reputation globally is critical to our business. Our reputation or brand image could be adversely impacted by, among other things, any failure to maintain high ethical, social and environmental sustainability practices for all of our operations and activities, our impact on the environment, public pressure from investors or policy groups to change our policies, such as movements to institute a “living wage,” customer perceptions of our advertising campaigns, sponsorship arrangements or marketing programs, customer perceptions of our use of social media, or customer perceptions of statements made by us, our employees and executives, agents or other third parties. In addition, we operate in a highly visible industry that has significant exposure to social media. Negative publicity, including as a result of misconduct by our customers, vendors or employees, can spread rapidly through social media. Should we not respond in a timely and appropriate manner to address negative publicity, our brand and reputation may be significantly harmed. Damage to our reputation or brand image or loss of customer confidence in our services could adversely affect our business and financial results, as well as require additional resources to rebuild our reputation.

Moreover, an outbreak and spread of an infectious disease could adversely impact consumer perceptions of the health and safety of travel, and in particular airline travel, such as occurred during the COVID-19 pandemic. Actual or perceived risk of infection on our flights could have a material adverse effect on the public’s perception of us and may harm our reputation and business. We have in the past, and may in the future be required to take extensive measures to reassure our team members and the traveling public of the safety of air travel, and we could incur significant costs implementing

safety, hygiene-related or other actions to limit the actual or perceived threat of infection among our employees and passengers. However, we cannot assure that any actions we might take in response to an infectious disease outbreak will be sufficient to restore the confidence of consumers in the safety of air travel. In addition, as a result of mask mandates and other mitigating measures that airports and carriers were required by law to implement to limit the spread of COVID-19, we experienced an increase in the incidence of aggressive customer behavior and physical confrontation on our flights, certain of which resulted in injuries to our personnel. While the rate of these incidents has declined following the lifting of mask mandates and other COVID-19 measures, if our employees feel unsafe or believe that we are not doing enough to prevent and prosecute such incidents, we could experience higher rates of employee absence or attrition and we may suffer reputational harm which could make it more difficult to attract and retain employees, and which could in turn negatively affect our business, financial condition and results of operations.

We are at risk of losses and adverse publicity stemming from any public incident involving our company, our people or our brand, including any accident or other public incident involving our personnel or aircraft, or the personnel or aircraft of our regional, codeshare or joint business operators.

We are at risk of adverse publicity stemming from any public incident involving our company, our people or our brand, particularly given the ease with which individuals can now capture and rapidly disseminate information via social media. Such an incident could involve the actual or alleged behavior of any of our employees, contractors or passengers. Further, if our personnel, one of our aircraft, a type of aircraft in our fleet, or personnel of, or an aircraft that is operated under our brand by, one of our regional operators or an airline with which we have a marketing alliance, joint business or codeshare relationship, were to be involved in a public incident, accident, catastrophe or regulatory enforcement action, we could be exposed to significant reputational harm and potential legal liability. The insurance we carry may be inapplicable or inadequate to cover any such incident, accident, catastrophe or action. In the event that our insurance is inapplicable or inadequate, we may be forced to bear substantial losses from an incident or accident. In addition, any such incident, accident, catastrophe or action involving our personnel, one of our aircraft (or personnel and aircraft of our regional operators and our codeshare partners), or a type of aircraft in our fleet could create an adverse public perception, which could harm our reputation, result in air travelers being reluctant to fly on our aircraft or those of our regional operators or codeshare partners, and adversely impact our business, results of operations and financial condition.

Changes to our business model that are designed to increase revenues may not be successful and may cause operational difficulties or decreased demand.

We have in the past instituted, and intend to institute in the future, changes to our business model designed to increase revenues and offset costs. These measures include further segmentation of the classes of service we offer, such as Premium Economy service and Basic Economy service, enhancements to our AAdvantage loyalty program, charging separately for services that had previously been included within the price of a ticket, changes to our practices and contracts with providers of distribution systems to provide additional content flexibility, commercial practices related to ticket distribution channels, changing (whether it be increasing, decreasing or eliminating) other pre-existing fees, reconfiguration of our aircraft cabins, and efforts to optimize our network including by focusing growth on a limited number of large hubs and entering into agreements with other airlines. For example, in 2020, we eliminated change fees for most domestic and international tickets, which has reduced our change fee revenue, a trend which is expected to continue assuming this policy remains in place. We may introduce additional initiatives in the future; however, as time goes on, we expect that it will be more difficult to identify and implement additional initiatives. We cannot assure that these measures or any future initiatives will be successful in increasing our revenues or offsetting our costs. Additionally, the implementation of these initiatives may create logistical challenges that could harm the operational performance of our airline or result in decreased demand. Also, our implementation of any new or increased fees might result in adverse brand perceptions, reputational harm or regulatory scrutiny, and could reduce the demand for air travel on our airline or across the industry in general, particularly if weakened economic conditions make our customers more sensitive to increased travel costs or provide a significant competitive advantage to other carriers that determine not to institute similar charges.

Our intellectual property rights, particularly our branding rights, are valuable, and any inability to protect them may adversely affect our business and financial results.

We consider our intellectual property rights, particularly our branding rights such as our trademarks applicable to our airline and AAdvantage loyalty program, to be a significant and valuable aspect of our business. We protect our intellectual property rights through a combination of trademark, copyright and other forms of legal protection, contractual agreements and policing of third-party misuses of our intellectual property. Our failure to obtain or adequately protect our intellectual property or any change in law that lessens or removes the current legal protections of our intellectual property

may diminish our competitiveness and adversely affect our business and financial results. Any litigation or disputes regarding intellectual property may be costly and time-consuming and may divert the attention of our management and key personnel from our business operations, either of which may adversely affect our business and financial results.

In addition, we have used certain of our branding and AAdvantage loyalty program intellectual property as collateral for various financings (including the AAdvantage Financing), which contain covenants that impose restrictions on the use of such intellectual property and, in the case of the AAdvantage Financing, on certain amendments or changes to our AAdvantage loyalty program. These covenants may have an adverse effect on our ability to use such intellectual property.

We may be a party to litigation in the normal course of business or otherwise, which could affect our financial position and liquidity.

From time to time, we are a party to or otherwise involved in legal proceedings, claims and government inspections or investigations and other legal matters, both inside and outside the United States, arising in the ordinary course of our business or otherwise. We are currently involved in various legal proceedings and claims that have not yet been fully resolved, and additional claims may arise in the future. Legal proceedings can be complex and take many months, or even years, to reach resolution, with the final outcome depending on a number of variables, some of which are not within our control. Litigation is subject to significant uncertainty and may be expensive, time-consuming, and disruptive to our operations. Although we will vigorously defend ourselves in such legal proceedings, their ultimate resolution and potential financial and other impacts on us are uncertain. For these and other reasons, we may choose to settle legal proceedings and claims, regardless of their actual merit. If a legal proceeding is resolved against us, it could result in significant compensatory damages, and in certain circumstances punitive or trebled damages, disgorgement of revenue or profits, remedial corporate measures or injunctive relief imposed on us. If our existing insurance does not cover the amount or types of damages awarded, or if other resolution or actions taken as a result of the legal proceeding were to restrain our ability to operate or market our services, our consolidated financial position, results of operations or cash flows could be materially adversely affected. In addition, legal proceedings, and any adverse resolution thereof, can result in adverse publicity and damage to our reputation, which could adversely impact our business. Additional information regarding certain legal matters in which we are involved can be found in Note 12 to each of AAG and American's Condensed Consolidated Financial Statements in Part I, Item 1A and Part I, Item 1B, respectively.

Our ability to utilize our NOLs and other carryforwards may be limited.

Under the Internal Revenue Code of 1986, as amended (the Code), a corporation is generally allowed a deduction for net operating losses (NOLs) carried over from prior taxable years. As of December 31, 2022, we had approximately \$16.2 billion of gross federal NOLs and \$4.3 billion of other carryforwards available to reduce future federal taxable income, of which \$5.9 billion will expire beginning in 2025 if unused and \$14.6 billion can be carried forward indefinitely. We also had approximately \$6.0 billion of NOL carryforwards to reduce future state taxable income at December 31, 2022, which will expire in taxable years 2022 through 2042 if unused. Our NOL carryforwards are subject to adjustment on audit by the Internal Revenue Service and the respective state taxing authorities. Additionally, due to the impact of the COVID-19 pandemic and other economic factors, certain of the NOL carryforwards may expire before we can generate sufficient taxable income to use them.

Our ability to use our NOLs and other carryforwards depends on the amount of taxable income generated in future periods. There can be no assurance that an additional valuation allowance on our net deferred tax assets will not be required should our financial performance be negatively impacted in the future. Such valuation allowance could be material.

A corporation's ability to deduct its federal NOL carryforwards and to utilize certain other available tax attributes can be substantially constrained under the general annual limitation rules of Section 382 of the Code (Section 382) if it undergoes an "ownership change" as defined in Section 382 (generally where cumulative stock ownership changes among material stockholders exceed 50% during a rolling three-year period). In 2013, we experienced an ownership change in connection with our emergence from bankruptcy and US Airways Group, Inc. (US Airways Group) experienced an ownership change in connection with the merger of US Airways Group and AMR Corporation (the Merger). The general limitation rules for a debtor in a bankruptcy case are liberalized where the ownership change occurs upon emergence from bankruptcy. We elected to be covered by certain special rules for federal income tax purposes that permitted approximately \$9.0 billion (with \$4.4 billion of unlimited NOLs still remaining at December 31, 2022) of our federal NOL carryforwards to be utilized without regard to the annual limitation generally imposed by Section 382. If the special rules are determined not to apply, our ability to utilize such federal NOL carryforwards may be subject to limitation. In addition, under the loan program of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the warrants (and common stock issuable upon

exercise thereof) we issued to the U.S. Department of Treasury (Treasury) did not and will not result in an “ownership change” for purposes of Section 382. This exception does not apply for companies issuing warrants, stock options, common or preferred stock or other equity pursuant to the payroll support program established under the CARES Act (PSP1), the payroll support program established under the Subtitle A of Title IV of Division N of the Consolidated Appropriations Act, 2021 (PSP Extension Law) (PSP2) and the payroll support program established under the American Rescue Plan Act of 2021 (ARP) (PSP3) and accordingly will not apply to the warrants issued by us under PSP1, PSP2 and PSP3. Substantially all of our remaining federal NOL carryforwards attributable to US Airways Group and its subsidiaries are subject to limitation under Section 382 as a result of the Merger; however, our ability to utilize such NOL carryforwards is not anticipated to be effectively constrained as a result of such limitation. Similar limitations may apply for state income tax purposes.

Notwithstanding the foregoing, an ownership change may severely limit or effectively eliminate our ability to utilize our NOL carryforwards and other tax attributes. In connection with the expiration in December 2021 of certain transfer restrictions applicable to substantial shareholders contained in our Certificate of Incorporation, the Board of Directors of AAG adopted a tax benefits preservation plan (the Tax Benefits Preservation Plan) in order to preserve our ability to use our NOLs and certain other tax attributes to reduce potential future income tax obligations. The Tax Benefits Preservation Plan was subsequently ratified by our stockholders at the 2022 Annual Meeting of Stockholders of AAG. The Tax Benefits Preservation Plan is designed to reduce the likelihood that we experience an ownership change by deterring certain acquisitions of AAG common stock. There is no assurance, however, that the deterrent mechanism will be effective, and such acquisitions may still occur. In addition, the Tax Benefits Preservation Plan may adversely affect the marketability of AAG common stock by discouraging existing or potential investors from acquiring AAG common stock or additional shares of AAG common stock, because any non-exempt third party that acquires 4.9% or more of the then-outstanding shares of AAG common stock would suffer substantial dilution of its ownership interest in AAG.

New U.S. tax legislation may adversely affect our financial condition, results of operations and cash flows.

On August 16, 2022, the Inflation Reduction Act (the IRA) was signed into law in the U.S. Among other changes, the IRA introduced a corporate minimum tax on certain corporations with average adjusted financial statement income over a three-tax year period in excess of \$1.0 billion and an excise tax on certain stock repurchases by certain covered corporations for taxable years beginning after December 31, 2022. The corporate minimum tax and any excise tax imposed on any repurchases of AAG common stock made after December 31, 2022 may adversely affect our financial condition in the future. The U.S. government may enact additional significant changes to the taxation of business entities including, among others, an increase in the corporate income tax rate, significant changes to the taxation of income derived from international operations, and an addition of further limitations on the deductibility of business interest. We are currently unable to predict whether such additional changes will occur. If such changes are enacted or implemented, we are currently unable to predict the ultimate impact on our business and therefore there can be no assurance our business will not be adversely affected.

We have a significant amount of goodwill, which is assessed for impairment at least annually. In addition, we may never realize the full value of our intangible assets or long-lived assets, causing us to record material impairment charges.

Goodwill and indefinite-lived intangible assets are not amortized, but are assessed for impairment at least annually, or more frequently if conditions indicate that an impairment may have occurred. In accordance with applicable accounting standards, we first assess qualitative factors to determine whether it is necessary to perform a quantitative impairment test. In addition, we are required to assess certain of our other long-lived assets for impairment if conditions indicate that an impairment may have occurred.

Future impairment of goodwill or other long-lived assets could be recorded in results of operations as a result of changes in assumptions, estimates, or circumstances, some of which are beyond our control. There can be no assurance that a material impairment charge of goodwill or tangible or intangible assets will be avoided. The value of our aircraft could be impacted in future periods by changes in supply and demand for these aircraft. Such changes in supply and demand for certain aircraft types could result from grounding of aircraft by us or other airlines, including as a result of significant or prolonged declines in demand for air travel and corresponding reductions to capacity. We can provide no assurance that a material impairment loss of tangible or intangible assets will not occur in a future period; we have previously incurred significant impairment charges associated with our decision to retire certain aircraft as a result of the severe decline in demand for air travel due to the COVID-19 pandemic, and the risk of future material impairments remains uncertain. Such impairment charges could have a material adverse effect on our business, results of operations and financial condition.

The airline industry is intensely competitive and dynamic.

Our competitors include other major domestic airlines and foreign, regional and new entrant airlines, as well as joint ventures formed by some of these airlines, many of which have greater financial or other resources and/or lower cost structures than ours, as well as other forms of transportation, such as rail and private automobiles or alternatives to commuting or business travel including remote or flexible working policies and communication alternatives such as videoconferencing. In many of our markets, we compete with at least one low-cost carrier (including so-called ultra-low-cost carriers). Our revenues are sensitive to the actions of other carriers in many areas, including pricing, scheduling, capacity, fees (including cancellation, change and baggage fees), amenities, loyalty benefits and promotions, which can have a substantial adverse impact not only on our revenues, but on overall industry revenues. These factors may become even more significant in periods when the industry experiences large losses (such as occurred recently during the COVID-19 pandemic), as airlines under financial stress, or in bankruptcy, may institute pricing or fee structures intended to attract more customers to achieve near-term survival at the expense of long-term viability.

Low-cost carriers (including so-called ultra-low-cost carriers) have a profound impact on industry revenues. Using the advantage of low unit costs, these carriers offer lower fares in order to shift demand from larger, more established airlines, and represent significant competitors, particularly for customers who fly infrequently, are price sensitive and therefore tend not to be loyal to any one particular carrier. Many of these carriers, including several that have recently commenced operations, have announced growth strategies including commitments to acquire significant numbers of new aircraft for delivery in the next few years. These low-cost carriers are attempting to continue to increase their market share through growth and consolidation, and are expected to continue to have an impact on our revenues and overall performance. We and several other large network carriers have implemented “Basic Economy” fares designed to more effectively compete against low-cost carriers, but we cannot predict whether these initiatives will be successful. While historically these carriers have provided competition in domestic markets, we have recently experienced new competition from low-cost carriers on international routes, including low-cost airlines executing international long-haul expansion strategies, a trend likely to continue, in particular with the planned introduction of long-range narrowbody aircraft in coming years. The actions of existing or future low-cost carriers, including those described above, could have a material adverse effect on our operations and financial performance.

We provide air travel internationally, directly as well as through joint businesses, alliances, codeshare and similar arrangements to which we are a party. While our network is comprehensive, compared to some of our key global competitors, we generally have somewhat greater relative exposure to certain regions (for example, Latin America) and somewhat lower relative exposure to others (for example, Asia). Our financial performance relative to our key competitors will therefore be influenced significantly by macro-economic conditions in particular regions around the world and the relative exposure of our network to the markets in those regions, including the duration of declines in demand for travel to specific regions as a result of the COVID-19 pandemic or other health emergencies and the speed with which demand for travel to these regions returns.

Our international service exposes us to foreign economies and the potential for reduced demand when any foreign country we serve suffers adverse local economic conditions or if governments restrict commercial air service to or from any of these markets. For example, the COVID-19 pandemic resulted in a precipitous and prolonged decline in demand for air travel, in particular international travel, in part as a result of the imposition by the U.S. and foreign governments of restrictions on travel from certain regions. In addition, open skies agreements, which are now in place with a substantial number of countries around the world, provide international airlines with open access to U.S. markets, potentially subjecting us to increased competition on our international routes. See also *“Our business is subject to extensive government regulation, which may result in increases in our costs, disruptions to our operations, limits on our operating flexibility, reductions in the demand for air travel, and competitive disadvantages.”*

Certain airline alliances, joint ventures and joint businesses have been, or may in the future be, granted immunity from antitrust regulations by governmental authorities for specific areas of cooperation, such as joint pricing decisions. To the extent alliances formed by our competitors can undertake activities that are not available to us, our ability to effectively compete may be hindered. Our ability to attract and retain customers is dependent upon, among other things, our ability to offer our customers convenient access to desired markets. Our business could be adversely affected if we are unable to maintain or obtain alliance and marketing relationships with other air carriers in desired markets.

American has established a transatlantic joint business with British Airways, Aer Lingus, Iberia and Finnair, a transpacific joint business with Japan Airlines and a joint business relating to Australia and New Zealand with Qantas, each of which has been granted antitrust immunity. The transatlantic joint business benefits from a grant of antitrust immunity from the United States Department of Transportation (DOT) and was reviewed by the European Commission

(EC) in July 2010. In connection with this review, we provided certain commitments to the EC regarding, among other things, the availability of take-off and landing slots at London Heathrow (LHR) or London Gatwick (LGW) airports. The commitments accepted by the EC were binding for 10 years. In October 2018, in anticipation of the exit of the United Kingdom from the European Union (EU), commonly referred to as Brexit, and the expiry of the EC commitments in July 2020, the United Kingdom Competition and Markets Authority (CMA) opened an investigation into the transatlantic joint business. We continue to fully cooperate with the CMA and, in September 2020 and April 2022, the CMA adopted interim measures that effectively extend the EC commitments until March 2026 in light of the uncertainty and other impacts resulting from the COVID-19 pandemic. The CMA restarted its investigation in September 2023 after the pause related to the COVID-19 pandemic and plans to complete the investigation before the scheduled expiration of the interim measures in March 2026. The foregoing arrangements are important aspects of our international network and we are dependent on the performance and continued cooperation of the other airlines party to those arrangements.

We had a marketing relationship, the Northeast Alliance arrangement (NEA), with JetBlue Airways Corporation (JetBlue) that included an alliance agreement with reciprocal codesharing on certain domestic and international routes from New York (John F. Kennedy International Airport (JFK), LaGuardia Airport (LGA), and Newark Liberty International Airport) and Boston Logan International Airport, and provided for reciprocal loyalty program benefits. On September 21, 2021, the United States Department of Justice, joined by Attorneys General from six states and the District of Columbia, filed an antitrust complaint against American and JetBlue in the U.S. District Court for the District of Massachusetts alleging that American and JetBlue violated U.S. antitrust law in connection with the NEA. On May 19, 2023, the U.S. District Court for the District of Massachusetts issued an order permanently enjoining American and JetBlue from continuing and further implementing the NEA. In June 2023, JetBlue delivered a notice of termination of the NEA, effective July 29, 2023, and the carriers have commenced wind-down activities to accommodate mutual customers. Following written submissions by the parties and a hearing on July 26, 2023, the U.S. District Court for the District of Massachusetts entered a Final Judgment and Order Entering Permanent Injunction on July 28, 2023. American filed a notice of appeal to the U.S. Court of Appeals for the First Circuit on September 25, 2023. Separately, in December 2022, two putative class action lawsuits were filed in the U.S. District Court for the Eastern District of New York also alleging that the NEA violated U.S. antitrust laws. In February 2023, private party plaintiffs filed two additional putative class action antitrust complaints against American and JetBlue in the U.S. District Court for the District of Massachusetts and the U.S. District Court for the Eastern District of New York, respectively. All cases have since been consolidated in the U.S. District Court for the Eastern District of New York. We believe these complaints are without merit and are defending against them vigorously. Defendants filed a motion to dismiss on September 21, 2023.

No assurances can be given as to any benefits that we may derive from any of the foregoing arrangements or any other arrangements that may ultimately be implemented, or whether regulators will, or if granted continue to, approve or impose material conditions on our business activities.

Other mergers and other forms of airline partnerships, including antitrust immunity grants, may take place and may not involve us as a participant. Depending on which carriers combine or integrate and which assets, if any, are sold or otherwise transferred to other carriers in connection with any such transactions, our competitive position relative to the post-transaction carriers or other carriers that acquire such assets could be harmed. In addition, as carriers combine through traditional mergers or integrate their operations through antitrust immunity grants, their route networks will grow, and that growth will result in greater overlap with our network, which in turn could decrease our overall market share and revenues. Such combination or collaboration is not limited to the U.S., but could include further transactions among international carriers in Europe and elsewhere that result in broader networks offered by rival airlines.

Additionally, our AAdvantage loyalty program, which is an important element of our sales and marketing programs, faces significant and increasing competition from the loyalty programs offered by other travel companies, as well as from similar loyalty benefits offered by banks and other financial services companies. Competition among loyalty programs is intense regarding the rewards, fees, required usage, and other terms and conditions of these programs. In addition, we have used certain assets from our AAdvantage loyalty program as collateral for the AAdvantage Financing, which contains covenants that impose restrictions on certain amendments or changes to certain of our AAdvantage program agreements provided as collateral under the AAdvantage Financing and other aspects of the AAdvantage loyalty program. These competitive factors and covenants (to the extent applicable) may affect our ability to attract and retain customers, increase usage of our loyalty program and maximize the revenue generated by our loyalty program.

We may also be impacted by competition regulations affecting certain of our major commercial partners, including our co-branded credit card partners. For example, there has been bipartisan legislation proposed in Congress called the Credit Card Competition Act designed to increase credit card transaction routing options for merchants which, if enacted, could result in a reduction of the fees levied on credit card transactions. If this legislation were enacted, it could

fundamentally alter the profitability of our agreements with co-branded credit card partners and the benefits we provide to our consumers through the co-branded credit cards issued by these partners.

The commercial relationships that we have with other companies, including any related equity investments, may not produce the returns or results we expect.

An important part of our strategy to expand our network has been to initiate or expand our commercial relationships with other airlines, such as by entering into global alliance, joint business and codeshare relationships, and, in certain instances, including China Southern Airlines Company Limited, GOL Linhas Aéreas Inteligentes S.A. and JetSMART Holdings Limited, by making an equity investment in another airline in connection with initiating or expanding such a commercial relationship. We may explore additional investments in, and joint ventures and strategic alliances with, other carriers as part of our global business strategy. We face competition in forming and maintaining these commercial relationships since there are a limited number of potential arrangements and other airlines are looking to enter into similar relationships, and our inability to form or maintain these relationships or inability to form as many of these relationships as our competitors may have an adverse effect on our business. Any such existing or future investment could involve significant challenges and risks, including that we may not realize a satisfactory return on our investment or that they may not generate the expected revenue synergies, and they may distract management focus from our operations or other strategic options. We may also be subject to consequences from any illegal conduct of joint business partners as well as to any political or regulatory change that negatively impacts or prohibits our arrangements with any such business partners. In addition, as a result of the COVID-19 pandemic and subsequent economic recovery, the industry experienced significant volatility in demand for air travel both internationally and domestically, which is expected to continue into the foreseeable future and could materially disrupt our partners' abilities to provide air service, the timely execution of our strategic operating plans, including the finalization, approval and implementation of new strategic relationships or the maintenance or expansion of existing relationships. If any carriers with which we partner or in which we hold an equity stake were to cease trading or be declared insolvent, we could lose the value of any such investment or experience significant operational disruption. These events could have a material adverse effect on our business, results of operations and financial condition.

We may also from time to time pursue commercial relationships with companies outside the airline industry, which relationships may include equity investments or other financial commitments. Any such relationship or related investment could involve unique risks, particularly where these relationships involve new industry participants, emerging technologies or industries with which we are unfamiliar.

Our business is very dependent on the price and availability of aircraft fuel. Continued periods of high volatility in fuel costs, increased fuel prices or significant disruptions in the supply of aircraft fuel could have a significant negative impact on consumer demand, our operating results and liquidity.

Our operating results are materially impacted by changes in the availability, price volatility and cost of aircraft fuel, which represents one of the largest single cost items in our business and thus is a significant factor in the price of airline tickets. Market prices for aircraft fuel have fluctuated substantially over the past several years and prices continue to be highly volatile, with market spot prices ranging from a low of approximately \$0.37 per gallon to a high of approximately \$4.40 per gallon during the period from January 1, 2020 to September 30, 2023.

Because of the amount of fuel needed to operate our business, even a relatively small increase or decrease in the price of fuel can have a material effect on our operating results and liquidity. Due to the competitive nature of the airline industry and unpredictability of the market for air travel, we can offer no assurance that we may be able to increase our fares, impose fuel surcharges or otherwise increase revenues or decrease other operating costs sufficiently to offset fuel price increases. Similarly, we cannot predict actions that may be taken by our competitors in response to changes in fuel prices.

We cannot predict the future availability, price volatility or cost of aircraft fuel. Natural disasters (including hurricanes or similar events in the U.S. Southeast and on the Gulf Coast where a significant portion of domestic refining capacity is located), political disruptions or wars involving oil-producing countries, changes in production levels of individual nations or associations of oil-producing states, economic sanctions imposed against oil-producing countries or specific industry participants, changes in fuel-related governmental policy, the strength of the U.S. dollar against foreign currencies, changes in the cost to transport or store petroleum products and any related staffing or transportation equipment shortages, changes in access to petroleum product pipelines and terminals, speculation in the energy futures markets, changes in aircraft fuel production capacity, environmental concerns and other unpredictable events, may result in fuel supply shortages, distribution challenges, additional fuel price volatility and cost increases in the future. Any of these

factors or events could cause a disruption in or increased demands on oil production, refinery operations, pipeline capacity or terminal access and possibly result in significant increases in the price of aircraft fuel and diminished availability of aircraft fuel supply.

Our aviation fuel purchase contracts generally do not provide meaningful price protection against increases in fuel costs. Our current policy is not to enter into transactions to hedge our fuel consumption, although we review this policy from time to time based on market conditions and other factors. Accordingly, as of September 30, 2023, we did not have any fuel hedging contracts outstanding to hedge our fuel consumption. As such, and assuming we do not enter into any future transactions to hedge our fuel consumption, we will continue to be fully exposed to fluctuations in fuel prices. See also the discussion in Part I, Item 3. Quantitative and Qualitative Disclosures About Market Risk – “*Aircraft Fuel.*”

In addition, as part of our emissions reduction targets, we and other airlines have committed to increasing the use of sustainable aviation fuel (SAF) in our fleet. Currently, industrial production of SAF is small in scale and inadequate to meet growing industry demand, and while additional production capacity is expected to come online in coming years, we anticipate that competition for SAF among industry participants will remain intense. As a result, we may need to pay a significant premium for SAF above the price we would pay for conventional jet fuel. To secure future SAF supply, we have entered into multiple agreements for the purchase of future SAF production, and continue to engage with producers regarding potential future SAF purchases, which may include investments to support these producers. Certain existing or potential future agreements pertain to SAF production from facilities that are planned but not yet operational, and which may utilize technology that has not been proven at commercial scale. There is no assurance that these facilities will be built or that they will meet contracted production timelines and volumes. In the event that the SAF is not delivered on schedule or in sufficient volumes, there can be no assurance that we will be able to source a supply of SAF sufficient to meet our stated goals, or that we will be able to do so on favorable economic terms.

Our business is subject to extensive government regulation, which may result in increases in our costs, disruptions to our operations, limits on our operating flexibility, reductions in the demand for air travel, and competitive disadvantages.

Airlines are subject to extensive domestic and international regulatory requirements. In the last several years, Congress and state and local governments have passed laws and regulatory initiatives, and the DOT, the Federal Aviation Administration (FAA), the Transportation Security Administration and several of their respective international counterparts have issued regulations and a number of other directives, that affect the airline industry. These requirements impose substantial costs on us and restrict the ways we may conduct our business.

For example, the FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that require significant expenditures or operational restrictions. These requirements can be issued with little or no notice, or can otherwise impact our ability to efficiently or fully utilize our aircraft, and in some instances have resulted in the temporary and prolonged grounding of aircraft types altogether (including, for example, the March 2019 grounding of all Boeing 737 MAX Family aircraft, which was not lifted in the United States until November 2020), or otherwise caused substantial disruption and resulted in material costs to us and lost revenues. The recent telecom industry roll-out of 5G technology, and concerns regarding its possible interference with aircraft navigation systems, also resulted in regulatory uncertainty and the potential for operational impacts, including possible suspension of service to certain airports or the operation of certain aircraft. See “*We rely heavily on technology and automated systems to operate our business, and any failure of these technologies or systems could harm our business, results of operations and financial condition.*” The FAA also exercises comprehensive regulatory authority over nearly all technical aspects of our operations. Our failure to comply with such requirements has in the past and may in the future result in fines and other enforcement actions by the FAA or other regulators. The FAA recently issued a final rule implementing flight attendant duty and rest periods, which will impact our scheduling flexibility. In the future, any new regulatory requirements, particularly requirements that limit our ability to operate or price our products, could have a material adverse effect on us and the industry.

In 2018, Congress passed a five-year funding authorization for the FAA which was scheduled to expire on September 30, 2023, but was recently extended to December 31, 2023. The legislative process to renew this authorization (the FAA Authorization Renewal) could impact us, and commercial aviation more generally, in numerous ways. As part of the FAA Authorization Renewal, Congress could seek to impose new rules or regulations concerning, among other things, customer service, aviation safety, labor requirements, investments in FAA staffing and resources, improvements to the ATC system and managing new entrants in the U.S. national airspace system, as well as new or increased fees or taxes intended to fund these policies. Any new or enhanced requirements resulting from the FAA Authorization Renewal have the potential to increase our costs or impact our operation. Congressional action on the FAA Authorization Renewal has

already begun and Congress has indicated that their goal is to pass the bill in advance of the newly set expiration of December 31, 2023. If Congress fails to pass the FAA Authorization Renewal, we expect passage of an additional extension of the current law to prevent a lapse in authorities.

DOT consumer rules, and rules promulgated by certain analogous agencies in other countries we serve, dictate procedures for many aspects of our customer's journey, including at the time of ticket purchase, at the airport, and onboard the aircraft. DOT requires multiple disclosures of airline fares, taxes and baggage fees and is further changing these requirements to increase the number of disclosures and the time at which they must be disclosed. DOT also recently issued a proposed rule mandating refunds in certain circumstances, such as a global pandemic. DOT has also proposed rules requiring disclosure of certain ancillary fees by air carriers and travel agents. Finally, DOT will be proposing and implementing a number of new disability regulations that will impact us, including rules for accessible lavatories on single-aisle aircraft, wheelchair damage and prompt wheelchair assistance.

The Aviation and Transportation Security Act mandates the federalization of certain airport security procedures and imposes additional security requirements on airports and airlines, most of which are funded by a per-ticket tax on passengers and a tax on airlines. Present and potential future security requirements can have the effect of imposing costs and inconvenience on travelers, potentially reducing the demand for air travel.

Similarly, there are a number of legislative and regulatory initiatives and reforms at the state and local levels. These initiatives include increasingly stringent laws to protect the environment, wage/hour requirements, mandatory paid sick or family leave, and healthcare mandates. These laws could affect our relationship with our workforce and the vendors that serve our airline and cause our expenses to increase without an ability to pass through these costs. In recent years, the airline industry has experienced an increase in litigation over the application of state and local employment laws, particularly in California. Application of these laws may result in operational disruption, increased litigation risk and impact our negotiated labor agreements. For example, we are currently involved in legal proceedings brought by flight attendants and certain other work groups in California concerning alleged violations of the state's labor code including, among other things, violations of certain meal and rest break laws, and an adverse determination in any of these cases could adversely impact our operational flexibility and result in the imposition of damages and fines, which could potentially be significant.

The results of our operations, demand for air travel, and the manner in which we conduct business each may be affected by changes in law and future actions taken by governmental agencies, including:

- changes in law that affect the services that can be offered by airlines in particular markets and at particular airports, or the types of fares offered or fees that can be charged to passengers;
- the granting and timing of certain governmental approvals (including antitrust or foreign government approvals) needed for codesharing alliances, joint businesses and other arrangements with other airlines, and the imposition of regulatory investigations or commencement of litigation related to any of the foregoing (including our arrangements with JetBlue);
- restrictions on competitive practices (for example, court orders, or agency regulations or orders, that would curtail an airline's ability to respond to a competitor);
- the adoption of new passenger security standards or regulations that impact customer service standards;
- restrictions on airport operations, such as restrictions on the use of slots at airports or the auction or reallocation of slot rights currently held by us;
- the adoption of more restrictive locally-imposed noise restrictions; and
- restrictions on travel or special guidelines regarding aircraft occupancy or hygiene in response to outbreaks of illness, such as occurred during the COVID-19 pandemic, including the imposition of preflight testing regimes or vaccination confirmation requirements which have in the past and may in the future have the effect of reducing demand for air travel in the markets where such requirements are imposed.

Each additional regulation or other form of regulatory oversight increases costs and adds greater complexity to airline operations and, in some cases, may reduce the demand for air travel. There can be no assurance that the increased costs or greater complexity associated with our compliance with new rules, anticipated rules or other forms of regulatory oversight will not have a material adverse effect on us.

Any significant reduction in air traffic capacity at and in the airspace serving key airports in the U.S. or overseas could have a material adverse effect on our business, results of operations and financial condition. In addition, the ATC system is not successfully modernizing to meet the growing demand for U.S. air travel. Air traffic controllers rely on outdated procedures and technologies that routinely compel airlines, including ourselves, to fly inefficient routes or take significant delays on the ground. The ATC system's inability to manage existing travel demand has led government agencies to implement short-term capacity constraints during peak travel periods or adverse weather conditions in certain markets, resulting in delays and disruptions of air traffic. The outdated technologies also cause the ATC system to be less resilient in the event of a failure, and past system disruptions have resulted in large-scale flight cancellations and delays. We experienced this challenge in January 2023 when an outage in the ATC Notice to Air Missions system led to a nationwide ground-stop for nearly two hours, resulting in significant operational disruption throughout the day.

In the early 2000s, the FAA embarked on a path to modernize the national airspace system, including migration from the current radar-based ATC system to a GPS-based system. This modernization of the ATC system, generally referred to as "NextGen," has been plagued by delays and cost overruns, and it remains uncertain when the full array of benefits expected from this modernization will be available to the public and the airlines, including ourselves. Failure to update the ATC system and the substantial costs that may be imposed on airlines, including ourselves, to fund a modernized ATC system may have a material adverse effect on our business.

Further, our business has been adversely impacted when government agencies have ceased to operate as expected, including due to partial shutdowns, sequestrations or similar events and the COVID-19 pandemic. These events have resulted in, among other things, reduced demand for air travel, an actual or perceived reduction in air traffic control and security screening resources and related travel delays, as well as disruption in the ability of the FAA to grant required regulatory approvals, such as those that are involved when a new aircraft is first placed into service.

Our operating authority in international markets is subject to aviation agreements between the U.S. and the respective countries or governmental authorities, such as the EU, and in some cases, fares and schedules require the approval of the DOT and/or the relevant foreign governments. Moreover, alliances with international carriers may be subject to the jurisdiction and regulations of various foreign agencies. The U.S. government has negotiated "open skies" agreements with more than 130 trading partners, which agreements allow unrestricted route authority access between the U.S. and the foreign markets. While the U.S. has worked to increase the number of countries with which open skies agreements are in effect, a number of markets important to us, including China, do not have open skies agreements. For example, the open skies air services agreement between the U.S. and the EU, which took effect in March 2008, provides airlines from the U.S. and EU member states open access to each other's markets, with freedom of pricing and unlimited rights to fly from the U.S. to any airport in the EU. As a result of the agreement and a subsequent open skies agreement involving the U.S. and the United Kingdom, which was agreed in anticipation of Brexit, we face increased competition in these markets, including LHR. Bilateral and multilateral agreements among the U.S. and various foreign governments of countries we serve but which are not covered by an open skies treaty are subject to periodic renegotiation. We currently operate a number of international routes under government arrangements that limit the number of airlines permitted to operate on the route, the capacity of the airlines providing services on the route, or the number of airlines allowed access to particular airports. If an open skies policy were to be adopted for any of these markets, it could adversely impact us and could result in impairments of our related tangible and intangible assets. In addition, competition from foreign airlines, revenue-sharing joint ventures, joint business agreements, and other alliance arrangements by and among other airlines could impair the value of our business and assets on the open skies routes.

On May 1, 2021 the EU and United Kingdom entered into a new trade and cooperation agreement (the EU-UK Trade and Cooperation Agreement) to govern certain aspects of their relationship following Brexit. We face risks associated with Brexit, notably given the extent of our passenger and cargo traffic and that of our joint business partners that flows through LHR in the United Kingdom. The EU-UK Trade and Cooperation Agreement includes provisions in relation to commercial air service that we expect to be sufficient to sustain our current services under the transatlantic joint business. However, the scope of traffic rights under the EU-UK Trade and Cooperation Agreement is less extensive than before Brexit and therefore the full impact of the EU-UK Trade and Cooperation Agreement is uncertain. As a result, the continuation of our current services, and those of our partners could be disrupted. This could materially adversely affect our business, results of operations and financial condition. More generally, changes in U.S. or foreign government aviation policies could result in the alteration or termination of such agreements, diminish the value of route authorities, slots or other assets located abroad, or otherwise adversely affect our international operations.

We operate a global business with international operations that are subject to economic and political instability and have been, and in the future may continue to be, adversely affected by numerous events, circumstances or government actions beyond our control.

We operate a global business with significant operations outside of the U.S. Our current international activities and prospects have been, and in the future could be, adversely affected by government policies, reversals or delays in the opening of foreign markets, increased competition in international markets, the performance of our alliance, joint business and codeshare partners in a given market, exchange controls or other restrictions on repatriation of funds, currency and political risks (including changes in exchange rates and currency devaluations), environmental regulation, increases in taxes and fees and changes in international governmental regulation of our operations, including the inability to obtain or retain needed route authorities and/or slots, and new or evolved policies related to consumer protections. In particular, the COVID-19 pandemic severely impacted the demand for international travel for a prolonged period, and resulted in the imposition of significant governmental restrictions on commercial air service to or from certain regions. We responded by temporarily suspending a significant portion of our long-haul international flights and delaying the introduction of certain new long-haul international routes. While many countries have largely eliminated their pandemic restrictions, or are in the process of doing so, we can provide no assurance as to when demand for international travel will return to pre-COVID-19 pandemic levels, if at all, or whether certain international destinations we previously served will be economical in the future.

We are subject to varying registration requirements and ongoing reporting obligations in the countries where we operate. Our permission to continue doing business in these countries may depend on our ability to timely fulfil or remedy any noncompliance with these and other governmental requirements. We may also be subject to the risk that relevant government agencies will be delayed in granting or renewing required approvals, including as a result of shutdowns (such as occurred in certain jurisdictions during the COVID-19 pandemic), cybersecurity incidents or other events. Any lapse, revocation, suspension or delay in approval of our authority to do business in a given jurisdiction may prevent us from serving certain destinations and could adversely impact our business, financial condition and results of operations.

More generally, our industry may be affected by any deterioration in global trade relations, including shifts in the trade policies of individual nations. For example, much of the demand for international air travel is the result of business travel in support of global trade. Should protectionist governmental policies, such as increased tariff or other trade barriers, travel limitations and other regulatory actions, have the effect of reducing global commercial activity, the result could be a material decrease in the demand for international air travel. Additionally, certain of the products and services that we purchase, including certain of our aircraft and related parts, are sourced from suppliers located outside the U.S., and the imposition of new tariffs, or any increase in existing tariffs, by the U.S. government in respect of the importation of such products could materially increase the amounts we pay for them.

We face risks associated with Brexit, notably given the extent of our passenger and cargo traffic and that of our joint business partners that flows through LHR in the United Kingdom. The EU-UK Trade and Cooperation Agreement includes provisions in relation to commercial air service that we expect to be sufficient to sustain our current services under the transatlantic joint business. However, the scope of traffic rights under the EU-UK Trade and Cooperation Agreement is less extensive than before Brexit and therefore the full impact of the EU-UK Trade and Cooperation Agreement is uncertain. As a result, the continuation of our current services, and those of our partners could be disrupted. Moreover, Brexit has created uncertainty as to the future trade relationship between the EU and the United Kingdom, including air traffic services. LHR is presently a very important element of our international network, however it may become less desirable as a destination or as a hub location after Brexit when compared to other airports in Europe, where we do not have as strong a presence. This could materially adversely affect our business, results of operations and financial condition.

Brexit has also led to legal and regulatory uncertainty such as new regulatory action and/or potentially divergent treaties, laws and regulations as the United Kingdom determines which EU treaties, laws and regulations to replace or replicate, including those governing aviation, labor, environmental, data protection/privacy, competition and other matters applicable to the provision of air transportation services by us or our alliance, joint business or codeshare partners. The impact on our business of any treaties, laws and regulations that replace the existing EU counterparts, or other governmental or regulatory actions taken by the United Kingdom or the EU in connection with or subsequent to Brexit, cannot be predicted, including whether or not regulators will continue to approve or impose material conditions on our business activities such as the transatlantic joint business. See also *"The airline industry is intensely competitive and dynamic."* Any of these effects, and others we cannot anticipate, could materially adversely affect our business, results of operations and financial condition.

Additionally, fluctuations in foreign currencies, including devaluations, exchange controls and other restrictions on the repatriation of funds, have significantly affected and may continue to significantly affect our operating performance, liquidity and the value of any cash held outside the U.S. in local currency. Such fluctuations in foreign currencies, including devaluations, cannot be predicted by us and can significantly affect the value of our assets located outside the United States. These conditions, as well as any further delays, devaluations or imposition of more stringent repatriation restrictions, may materially adversely affect our business, results of operations and financial condition.

We may be adversely affected by conflicts overseas or terrorist attacks; the travel industry continues to face ongoing security concerns.

Acts of terrorism or fear of such attacks, including elevated national threat warnings, wars or other military conflicts, may depress air travel, particularly on international routes, and cause declines in revenues and increases in costs. The attacks of September 11, 2001 and continuing terrorist threats, attacks and attempted attacks materially impacted and continue to impact air travel. Increased security procedures introduced at airports since the attacks of September 11, 2001 and any other such measures that may be introduced in the future generate higher operating costs for airlines. The Aviation and Transportation Security Act mandated improved flight deck security, deployment of federal air marshals on-board flights, improved airport perimeter access security, airline crew security training, enhanced security screening of passengers, baggage, cargo, mail, employees and vendors, enhanced training and qualifications of security screening personnel, additional provision of passenger data to the U.S. Customs and Border Protection Agency and enhanced background checks. A concurrent increase in airport security charges and procedures, such as restrictions on carry-on baggage, has also had and may continue to have a disproportionate impact on short-haul travel, which constitutes a significant portion of our flying and revenue. Implementation of and compliance with increasingly complex security and customs requirements will continue to result in increased costs for us and our passengers, and have caused and likely will continue to cause periodic service disruptions and delays. We have at times found it necessary or desirable to make significant expenditures to comply with security-related requirements while seeking to reduce their impact on our customers, such as expenditures for automated security screening lines at airports. As a result of competitive pressure, and the need to improve security screening throughput to support the pace of our operations, it is unlikely that we will be able to capture all security-related costs through increased fares. We cannot forecast what new security requirements may be imposed in the future, or their impact on our business. In addition, avoiding areas of armed conflict or locations inaccessible to us due to geopolitical factors can impact our operations and financial results. For instance, airspace closures or restrictions may require us to alter flight paths, thereby increasing the distance, duration and amount of fuel required to operate certain international flights, in particular relative to competitors not subject to these airspace restrictions.

We are subject to risks associated with climate change, including increased regulation of our CO₂ emissions, changing consumer preferences and the potential increased impacts of severe weather events on our operations and infrastructure.

Efforts to transition to a low-carbon future have increased the focus by global, regional and national regulators on climate change and greenhouse gas (GHG) emissions, including carbon dioxide (CO₂) emissions. In particular, the International Civil Aviation Organization (ICAO) has adopted rules, including those pertaining to the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which will require us to mitigate the growth in CO₂ emissions associated with a significant majority of our international flights. For more information on CORSIA, see “Aircraft Emissions and Climate Change Requirements” under Item 1. Business – “Domestic and Global Regulatory Landscape – Environmental Matters” in our 2022 Form 10-K.

At this time, the costs of complying with our future obligations under CORSIA are uncertain, primarily due to continued volatility in demand for international air travel in the recovery from the COVID-19 pandemic and because there is significant uncertainty with respect to the future supply and price of eligible carbon offset credits and lower-carbon aircraft fuels. In addition, our future CORSIA obligations are uncertain because those obligations are based on the growth in emissions of the global aviation sector and our individual airline emissions will not be incorporated into our CORSIA obligations until 2033. Due to the competitive nature of the airline industry and unpredictability of the market for air travel, we can offer no assurance that we may be able to increase our fares, impose surcharges or otherwise increase revenues or decrease other operating costs sufficiently to offset our costs of meeting obligations under CORSIA.

CORSIA is a global market-based measure that offers a harmonized way to reduce emissions from international aviation. In the event CORSIA does not come into force as expected or is terminated for whatever reason, we and other airlines could become subject to an unpredictable and inconsistent array of national or regional emissions restrictions, creating a patchwork of complex regulatory requirements that could lead to increased expense related to the emissions of our flights.

Concerns over climate change are likely to result in continued attempts by governments to adopt requirements or change business environments related to aviation that, if successful, may result in increased costs to the airline industry and us. In addition, several countries and U.S. states have adopted or are considering adopting programs, including new taxes, to regulate domestic GHG emissions. Finally, certain airports have adopted, and others could in the future adopt, GHG emission or climate-related goals that could impact our operations or require us to make changes or investments in our infrastructure.

In January 2021, the U.S. Environmental Protection Agency (EPA) adopted GHG emission standards for new aircraft engines, which are aligned with the 2017 ICAO aircraft engine GHG emission standards. Like the ICAO standards, the final EPA standards for new aircraft engines would not apply retroactively to engines already on in-service aircraft. These final standards have been challenged by several states and environmental groups, and the Biden Administration has issued an executive order requiring a review of these final standards. On November 15, 2021, the EPA announced that it would not rewrite the existing aircraft engine GHG emissions standards but would seek more ambitious new aircraft GHG emission standards within the ICAO process. On June 30, 2023, the U.S. Court of Appeals for the D.C. Circuit ruled that the EPA acted within its authority in establishing the aircraft engine GHG emissions standards, rejecting the challenges by the states and environmental groups.

The EC's ReFuelEU Aviation initiative (part of its "Fit for 55" program) included a proposal for the creation of a SAF blending mandate for aviation fuel suppliers set at 2% beginning in 2025 and rising to 63% by 2050, among other requirements. The European Parliament and the European Council reached a provisional political agreement in relation to the terms of the ReFuelEU Aviation initiative on April 25, 2023, which was formally adopted by the European Parliament on September 13, 2023. This agreed text modified the EC's proposal in certain respects while maintaining the general obligation for fuel suppliers to ensure that certain minimum shares of SAF are made available to aircraft operators at EU airports from 2025. Such minimum requirements are 2% in 2025, 6% in 2030, 20% in 2035, 34% in 2040, 42% in 2045 and 70% in 2050. In addition, a specific proportion of the fuel mix (1.2% in 2030, 2% in 2032, 5% in 2035 and progressively reaching 35% in 2050) must comprise synthetic fuels like e-kerosene, and as of 2025, there will be an EU label for the environmental performance of flights, such that airlines may market their flights indicating the expected carbon footprint per passenger. The agreement remains subject to formal approval by the European Council, and the potential effects on our business are uncertain at this time. In light of this development, the UK and other countries have adopted or are considering adoption of a SAF blending mandate similar to that of the EU.

Climate change-related regulatory activity and developments may adversely affect our business and financial results by requiring us to reduce our emissions before cost-effective emissions reduction technologies are available, for example through requirements to make capital investments to purchase specific types of equipment or technologies, purchase carbon offset credits, or otherwise incur additional costs related to our emissions. Such activity may also impact us indirectly by increasing our operating costs, including fuel costs.

In addition, as part of our emissions reduction targets, we and other airlines have committed to increasing the use of SAF in our fleet. Currently, industrial production of SAF is small in scale and inadequate to meet growing industry demand, and while additional production capacity is expected to come online in coming years, we anticipate that competition for SAF among industry participants will remain intense, especially in light of the minimum requirements for the usage of SAF under the ReFuelEU Aviation initiative. As a result, we may need to pay a significant premium for SAF above the price we would pay for conventional jet fuel. To secure future SAF supply, we have entered into multiple agreements for the purchase of future SAF production, and we continue to engage with producers regarding potential future SAF purchases, which may include investments to support these producers. Certain existing or potential future agreements pertain to SAF production from facilities that are planned but not yet operational and which may utilize technology that has not been proven at commercial scale. There is no assurance that these facilities will be built or that they will meet contracted production timelines and volumes. In the event that the SAF is not delivered on schedule or in sufficient volumes, there can be no assurance that we will be able to source a supply of SAF sufficient to meet our stated goals, or that we will be able to do so on favorable economic terms.

Growing recognition among consumers of the dangers of climate change may mean some customers choose to fly less frequently or fly on an airline they perceive as operating in a manner that is more sustainable to the climate. Business

customers may choose to use alternatives to travel, such as virtual meetings and workspaces. Greater development of high-speed rail in markets now served by short-haul flights could provide passengers with lower-carbon alternatives to flying with us. Customers may also elect to travel on flights that emit comparatively fewer carbon emissions, particularly after the adoption of the EU environmental labelling scheme for flights in 2025. Our collateral to secure loans, in the form of aircraft, spare parts and airport slots, could lose value as customer demand shifts and economies move to low-carbon alternatives, which may increase our financing cost.

Finally, the potential acute and chronic physical effects of climate change, such as increased frequency and severity of storms, floods, fires, sea-level rise, excessive heat, longer-term changes in weather patterns and other climate-related events, could affect our operations, infrastructure and financial results. Operational impacts, such as more frequent or widespread flight cancellations, could result in loss of revenue. We could incur significant costs to improve the climate resiliency of our infrastructure and otherwise prepare for, respond to, and mitigate such physical effects of climate change. We are not able to predict accurately the materiality of any potential losses or costs associated with the physical effects of climate change.

We are subject to many forms of environmental and noise regulation and may incur substantial costs as a result.

We are subject to a number of increasingly stringent federal, state, local and foreign laws, regulations and ordinances relating to the protection of human health and the environment and noise reduction, including those relating to emissions to the air, discharges to land and surface and subsurface waters, safe drinking water, and the management of hazardous substances, oils and waste materials. This universe of substances is evolving to encompass many substances not previously regulated. Compliance with environmental laws and regulations can require significant expenditures, and violations can lead to significant fines and penalties, as well as civil liability.

We are also subject to other environmental laws and regulations, including those that require us to investigate and remediate soil or groundwater to meet certain remediation standards. Under federal law, generators of waste materials, and current and former owners or operators of facilities, can be subject to liability for investigation and remediation costs at locations that have been identified as requiring response actions. Liability under these laws may be retroactive, strict, joint and several, meaning that we could be liable for the costs of cleaning up environmental contamination regardless of when it occurred, fault or the amount of waste directly attributable to us. We have liability for investigation and remediation costs at various sites, although such costs currently are not expected to have a material adverse effect on our business.

Governmental authorities in the U.S. and abroad are increasingly focused on potential contamination resulting from the use of certain chemicals, most notably per- and polyfluoroalkyl, substances (PFAS). Products containing PFAS have been used in manufacturing, industrial, and consumer applications over many decades, including those related to aviation. Among other things, recent changes to federal requirements for firefighting foams containing PFAS, as well as related state regulations affecting their use, will require operational changes. On August 26, 2022, the EPA published for public comment a new rulemaking that would designate two PFAS substances (perfluorooctanoic acid and perfluorooctanesulfonic acid) as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act. This rulemaking would require entities to immediately report current and past releases that meet or exceed the reportable quantity for such substances to EPA's National Response Center. Depending on the final outcome of this rulemaking and the introduction of any additional state or federal regulations, we may incur costs in connection with reporting obligations and costs related to historic usage of PFAS-containing materials, transitioning away from the usage of PFAS-containing products, disposing of PFAS-containing waste or remediating any residual environmental impacts.

We have various leases and agreements with respect to real property, tanks and pipelines with airports and other operators. Under these leases and agreements, we have agreed to indemnify the lessor or operator against environmental liabilities associated with the real property or operations described under the agreement, even in certain cases where we are not the party responsible for the initial event that caused the environmental damage. We also participate in leases with other airlines in fuel consortiums and fuel committees at airports, and such indemnities are generally joint and several among the participating airlines.

Governmental authorities in several U.S. and foreign cities are also considering, or have already implemented, aircraft noise reduction programs, including the imposition of nighttime curfews and limitations on daytime take offs and landings as well as setting an annual flight cap from specific cities, as promoted in the Netherlands. We have been able to accommodate local noise restrictions imposed to date, but our operations could be adversely affected if locally-imposed regulations become more restrictive or widespread. The FAA is also currently evaluating possible changes to how aircraft

noise is measured, and the resulting standards that are based on them. Ultimately, these changes could have an impact on, or limit, our operations, or make it more difficult for the FAA to modernize and increase the efficiency of the airspace and airports we utilize.

A higher than normal number of pilot retirements, more stringent duty time regulations, increased flight hour requirements for commercial airline pilots, reductions in the number of military pilots entering the commercial workforce, increased training requirements and other factors have caused a shortage of pilots that could materially adversely affect our business.

Large numbers of pilots in the industry accepted early retirement during the COVID-19 pandemic or are approaching the FAA's mandatory retirement age of 65. Our pilots and other employees are subject to rigorous certification standards, and our pilots and other crew members must adhere to flight time and rest requirements. Commencing in 2013, the minimum flight hour requirement to achieve a commercial pilot's license in the United States increased from 250 to 1,500 hours, thereby significantly increasing the time and cost commitment required to become licensed to fly commercial aircraft. Additionally, the number of military pilots being trained by the U.S. armed forces and available as commercial pilots upon their retirement from military service has been decreasing. Further, in the course of the domestic airline industry rapidly restoring capacity during the recovery from the COVID-19 pandemic, the significant training requirements to return large numbers of pilots to active flying have been time consuming and disruptive.

These and other factors have contributed to a shortage of qualified, entry-level pilots, shortages of experienced pilots trained and ready for duty, and increased compensation costs materially for pilots throughout the industry. The foregoing factors have also led to increased competition from large, mainline carriers attempting to meet their hiring needs and significant further proposed increases in mainline pilot compensation. We believe that this industry-wide pilot shortage will remain a significant problem for airlines in the United States for the foreseeable future. Our regional airline subsidiaries and other regional partners have recently been unable to hire adequate numbers of pilots to meet their needs, resulting in a reduction in the number of flights offered, operational disruptions, increased compensation expense and costs of operations, financial difficulties and other adverse effects, and these circumstances may become more severe in the future and thereby cause a material adverse effect on our business.

As part of the 2023 FAA Reauthorization process, Congress has proposed increasing the pilot retirement age from 65 to 67 to help address the pilot shortage. Raising the mandatory retirement age could help to mitigate the pilot shortage at regional airlines and other carriers operating domestically, but it could create potential challenges to mainline carriers operating internationally, as the international standard for pilot retirement is currently 65. We cannot, at this time, predict the effect on our operation if this extension in retirement age is adopted and implemented.

We depend on a limited number of suppliers for aircraft, aircraft engines and parts. Delays in scheduled aircraft deliveries or other loss of anticipated fleet capacity, and failure of new aircraft to perform as expected, may adversely impact our business, results of operations and financial condition.

We depend on a limited number of suppliers for aircraft, aircraft engines and many aircraft and engine parts. For example, as of the end of 2022, all of our mainline aircraft were manufactured by either Airbus S.A.S. (Airbus) or The Boeing Company (Boeing) and all of our regional aircraft were manufactured by either Bombardier or Embraer. Further, our supplier base continues to consolidate as evidenced by recent transactions involving Airbus and Bombardier and Mitsubishi and Bombardier, and the cessation of production of certain Bombardier regional aircraft that we and our regional partners currently operate in large numbers. Due to the limited number of suppliers, constraints on production capacity, large order books and long production lead times, manufacturers may face challenges in timely fulfilling our aircraft on order, and we may face competition from other carriers in securing an adequate supply of aircraft in the future. If new aircraft orders are not filled on a timely basis, we could face higher financing and operating costs than planned. The limited number of these suppliers may also result in reduced competition and potentially higher prices than if the supplier base was less concentrated. In addition, we are vulnerable to any problems associated with the performance of these suppliers' obligation to supply key aircraft, parts and engines, including design defects, mechanical problems, contractual performance by suppliers or adverse perception by the public that would result in customer avoidance of any of our aircraft. If the aircraft we receive do not meet expected performance or quality standards, including with respect to fuel efficiency, safety and reliability, we could also face higher financing and operating costs than planned and our business, results of operations and financial condition could be adversely impacted. We are also subject to the risk that action by the FAA or any other regulatory authority could result in an inability to certify or operate our aircraft, even temporarily. For instance, in March 2019, the FAA ordered the grounding of all Boeing 737 MAX Family aircraft, which remained in place for over a year and was not lifted in the United States until November 2020. More recently, regulatory concerns raised by

the FAA forced Boeing to temporarily suspend deliveries of certain 787 aircraft, resulting in significant reductions to our planned long-haul flying.

The success of our business depends on, among other things, effectively managing the number and types of aircraft we operate. If, for any reason, we are unable to accept or secure deliveries of new aircraft on contractually scheduled delivery dates, our business, results of operations and financial condition could be negatively impacted. Our failure to integrate newly purchased aircraft into our fleet as planned might require us to seek extensions of the terms for some leased aircraft or otherwise delay the exit of certain aircraft from our fleet. Such unanticipated extensions or delays, which recently have been relatively commonplace among manufacturers of commercial aircraft, may require us to operate existing aircraft beyond the point at which it is economically optimal to retire them, resulting in increased maintenance costs, or reductions to our schedule, thereby reducing revenues. Repeated or prolonged delays in the production, delivery or induction of our new aircraft could also require us to scale back our growth plans, reduce frequencies or forgo service entirely to certain markets, which could adversely affect our business, financial condition and results of operations.

We rely heavily on technology and automated systems to operate our business, and any failure of these technologies or systems could harm our business, results of operations and financial condition.

We are highly dependent on existing and emerging technology and automated systems to operate our business. These technologies and systems include our computerized airline reservation system, flight operations and crew scheduling systems, financial planning, management and accounting systems, telecommunications systems, website, maintenance systems and check-in kiosks. In order for our operations to work efficiently, our website and reservation system must be able to accommodate a high volume of traffic, maintain secure information and deliver flight information, as well as issue electronic tickets and process critical financial information in a timely manner. Substantially all of our tickets are issued to passengers as electronic tickets. We depend on our reservation system, which is hosted and maintained under a long-term contract by a third-party service provider, to be able to issue, track and accept these electronic tickets. If our technologies or automated systems are not functioning or if our third-party service providers were to fail to adequately provide technical support, system maintenance or timely software upgrades for any one of our key existing systems, we could experience service disruptions or delays, which could harm our business and result in the loss of important data, increase our expenses and decrease our revenues. Furthermore, certain critical aspects of our operation rely on legacy technological systems which may grow more difficult or expensive to support and maintain over time, and such systems may fail to perform as required or become more vulnerable to malfunction or failure over time. In the event that one or more of our primary technology or systems vendors goes into bankruptcy, ceases operations or fails to perform as promised, replacement services may not be readily available on a timely basis, at competitive rates or at all, and any transition time to a new system may be significant.

Our aircraft employ a number of sophisticated radio and satellite-based navigation and safety technologies, and we are subject to risks associated with the introduction or expansion of technologies that could interfere with the safe operation of these flight systems. For example, telecommunications companies are expanding and increasing the commercial and consumer applications of 5G cellular communication networks, and regulators, manufacturers and operators have expressed concerns that certain 5G applications could interfere with certain flight systems. On December 23, 2021, the FAA issued a special airworthiness information bulletin (SAIB), in which it indicated that further testing and assessment is needed regarding the effects of 5G on certain aircraft equipped with radar altimeters, which measure the aircraft's altitude and guide pilots during landings. If it were determined that 5G signals posed an interference risk to these altimeters or other systems, the FAA indicated in its SAIB that it could restrict flight operations in areas where such interference could occur. On June 17, 2022, the FAA and telecommunications industry reached an agreement to delay the full implementation of 5G deployment near airports until July 1, 2023. The delayed implementation allowed the aviation industry time to retrofit the radio altimeters on aircraft to prevent potential interference from 5G signals. American has completed the retrofit of all impacted mainline aircraft and Embraer regional aircraft. Due to supply chain issues, retrofits of the CRJ regional fleet are expected to be completed in the second half of 2023. However, the 5G performance restrictions on these regional aircraft are limited, and we expect no significant operational impacts to that fleet. With retrofits complete or nearly complete, we now expect operational certainty as it pertains to 5G until 2028, when the current operating agreement between the FAA, Federal Communications Commission and telecommunications industry expires.

Our technologies and automated systems are not completely protected against events that are beyond our control, including natural disasters, power failures, terrorist attacks, cyber-attacks, data theft, defects, errors, equipment and software failures, computer viruses or telecommunications failures. When service interruptions occur as a result of any of the aforementioned events, we address them in accordance with applicable laws, rules and regulations. However, substantial or sustained system failures could cause service delays or failures and result in our customers purchasing tickets from other airlines. We cannot assure that our security measures, change control procedures or disaster recovery

plans are adequate to prevent disruptions or delays. Disruption in or changes to these technologies or systems could result in a disruption to our business and the loss of important data. Any of the foregoing could result in a material adverse effect on our business, results of operations and financial condition.

Evolving cybersecurity and data privacy requirements (in particular, compliance with applicable federal, state and foreign laws relating to handling of personal information about individuals) could increase our costs, and any significant data security or privacy incident could disrupt our operations, harm our reputation, expose us to legal risks and otherwise materially adversely affect our business, results of operations and financial condition.

In the normal course of our business, we collect, process, use and disclose personal information about individuals and rely on third party service providers to host or otherwise process personal information. Many federal, state and foreign governmental bodies and agencies have adopted, or are considering adopting, laws and regulations that impose limits on the collection, processing, use, disclosure and security of personal information about individuals. In some cases, such laws and regulations can be enforced by private parties in addition to government entities. In addition, privacy advocacy and industry groups may propose new and different self-regulatory standards or guidance that may legally or contractually apply to us and our vendors. These non-uniform laws, regulations, standards and guidance are complex and currently evolving and can be subject to significant change and interpretation, and may be inconsistently applied and enforced from one jurisdiction to another.

Our business requires the secure processing and storage of personal information relating to our customers, employees, business partners and others. However, like any global enterprise operating in today's digital business environment, we have experienced cybersecurity incidents and data breaches. The threat of cybersecurity incidents continues to increase as the frequency, intensity and sophistication of attacks and intrusions increase around the world. Despite ongoing efforts to maintain and improve the security of digital information, individuals, including employees or contractors, may be able to circumvent the security measures we put in place, and we may be unable to anticipate new techniques used for these attacks and intrusions and implement adequate preventative measures. We and our business partners have been the target of cybersecurity attacks and data breaches in the past and expect that we will continue to be in the future. For example, in March 2021, a sub-set of AAdvantage members as well as members of several other major airline loyalty programs received a notification about a security incident involving a limited amount of loyalty data held by a service provider. As another example, in July 2022, a minor phishing incident resulted in certain employee email accounts being accessed and acquired without authorization that contained personal information about a very limited number of individuals, including travelers (following which we notified the individuals). We react and respond to these cybersecurity attacks in accordance with the applicable legal requirements, our own approved cybersecurity protocols, as well as our commercial partners' standards, but we cannot ensure that our responses will be sufficient to prevent or mitigate the potential adverse impacts of these incidents, which may be material.

Geopolitical issues continue to increase our cybersecurity risk and potential for cybersecurity incidents, for example, the conflict involving Russia and Ukraine, which has resulted in a heightened risk of cyberattacks against companies like ours that have operations, vendors and/or supply chain providers located in or around the region of conflict or are otherwise related to the conflict.

There has been heightened legislative and regulatory focus on data privacy and cybersecurity in the U.S., the EU, China and elsewhere, particularly with respect to critical infrastructure providers, including those in the transportation sector. As a result, we must comply with a proliferating and fast-evolving set of legal requirements in this area, including substantive data privacy and cybersecurity standards as well as requirements for notifying regulators and affected individuals in the event of a data security incident. In addition, we are subject to an increasing number of reporting obligations in respect of material cybersecurity incidents. These reporting requirements have been proposed or implemented by a number of regulators in different jurisdictions, may vary in their scope and application, and could contain conflicting requirements. Certain of these rules and regulations may require us to report a cybersecurity incident before we have been able to fully assess its impact or remediate the underlying issue. Efforts to comply with such reporting requirements could divert management's attention from our incident response and could potentially reveal system vulnerabilities to threat actors. Failure to timely report incidents under these rules could also result in monetary fines, sanctions, or subject us to other forms of liability. This regulatory environment is increasingly challenging and may present material obligations and risks to our business, including significantly expanded compliance burdens, costs and enforcement risks.

In addition, many of our commercial partners, including credit card companies, have imposed data security standards that we must meet. In particular, we are required by the Payment Card Industry Security Standards Council, founded by the credit card companies, to comply with their highest level of data security standards. While we continue our efforts to meet these standards, new and revised standards may be imposed that may be difficult for us to meet and could increase our costs.

Significant cybersecurity incidents involving us or one of our AAdvantage partners or other business partners have in the past and may in the future result in a range of potentially material negative consequences for us, including unauthorized access to, disclosure, modification, misuse, loss or destruction of company systems or data; theft of sensitive, regulated or confidential data, such as personal information or our intellectual property; the loss of functionality of critical systems through ransomware, denial of service or other attacks; a diminished ability to retain or attract new customers; a deterioration in our relationships with business partners and other third parties; interruptions or failures in our payment related systems; and business delays, service or system disruptions, damage to equipment and injury to persons or property. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving and may be difficult to anticipate or to detect for long periods of time. The constantly changing nature of the threats means that we cannot and have not been able to prevent all data security breaches or misuse of data. Similarly, we depend on the ability of our key commercial partners, including AAdvantage partners, other business partners, our regional carriers, distribution partners and technology vendors, to conduct their businesses in a manner that complies with applicable security standards and assures their ability to perform on a timely basis. A security failure, including a failure to meet relevant payment security standards, breach or other significant cybersecurity incident affecting one of our partners, interruptions or failures in our payment related systems, could result in potentially material negative consequences for us, including loss of critical data, service interruptions and the potential for fines, restrictions and expulsion from card acceptance programs. In addition, we use third-party service providers to help us deliver services to customers. These service providers may store personal information, credit card information and/or other confidential information. Such information may be and has been the target of unauthorized access or subject to security breaches because of third-party action, employee error, malfeasance or otherwise. Any of these could (a) result in the loss of information, litigation, indemnity obligations, expensive and inconsistent cybersecurity incident and data breach notification requirements, damage to our reputation, regulatory scrutiny, and other liability, or (b) have a material adverse effect on our business, financial condition and results of operations.

The costs and operational consequences of defending against, preparing for, responding to and remediating an incident of cybersecurity breach may be substantial. As cybersecurity threats become more frequent, intense and sophisticated, costs of proactive defense measures are increasing. Further, we could be exposed to litigation, regulatory enforcement or other legal action as a result of an incident, carrying the potential for damages, fines, sanctions or other penalties, as well as injunctive relief and enforcement actions requiring costly compliance measures. A significant number of recent privacy and data security incidents, including those involving other large airlines, have resulted in very substantial adverse financial consequences to those companies. A cybersecurity incident could also impact our brand, including that of the AAdvantage program, harm our reputation and adversely impact our relationship with our customers, employees and stockholders. The increased regulatory focus on data privacy practices apart from how personal data is secured, such as how personal data is collected, used for marketing purposes, and shared with third parties, also may require changes to our processes and increase compliance costs. There is also an increased risk to our business in the event of a significant data privacy violation, including additional compliance costs, reputational harm, disruption to the manner in which we provide our services, including the geographies we service, and being subject to complaints and/or regulatory investigations, significant monetary liability, fines, penalties, regulatory enforcement, individual or class action lawsuits, public criticism, loss of customers, loss of goodwill or other additional liabilities, such as claims by industry groups or other third parties. Accordingly, failure to appropriately address data privacy and cybersecurity issues could result in material financial and other liabilities and cause significant reputational harm to our company.

In addition, litigation, claims and enforcement related to privacy, biometrics and other provisions of state privacy laws may involve new interpretations of privacy laws. Compliance with these laws and regulations may be inconsistent from jurisdiction to jurisdiction, increasing the cost of compliance and our risk of liability from litigation. Any litigation, claims or enforcement actions to which we are or become a party could potentially result in substantial monetary damages or fines.

We rely on third-party distribution channels and must manage effectively the costs, rights and functionality of these channels.

We rely on third-party distribution channels, including those provided by or through global distribution systems (GDSs) (e.g., Amadeus, Sabre and Travelport), conventional travel agents, travel management companies and online travel agents (OTAs) (e.g., Expedia, including its booking sites Orbitz and Travelocity, and Booking Holdings, including its

booking sites Kayak and Priceline), to distribute a significant portion of our airline tickets, and we expect in the future to continue to rely on these channels. We are also dependent upon the ability and willingness of these distribution channels to expand their ability to distribute and collect revenues for ancillary products (e.g., fees for selective seating). These distribution channels are more expensive and at present have less functionality in respect of ancillary product offerings than those we operate ourselves, such as our website at www.aa.com. Certain of these distribution channels also effectively restrict the manner in which we distribute our products generally.

To remain competitive, we will need to manage successfully our distribution costs and rights, increase our distribution flexibility and improve the functionality of our distribution channels, while maintaining an industry-competitive cost structure. Further, as distribution technology changes we will need to continue to update our technology by acquiring new technology from third parties, building the functionality ourselves, or a combination, which in any event will likely entail significant technological and commercial risk and involve potentially material investments. These imperatives may affect our relationships with conventional travel agents, travel management companies, GDSs and OTAs, including if consolidation of conventional travel agents, travel management companies, GDSs or OTAs continues, or should any of these parties seek to acquire other technology providers thereby potentially limiting our technology alternatives. Any inability to manage our third-party distribution costs, rights and functionality at a competitive level or any material diminishment or disruption in the distribution of our tickets could have a material adverse effect on our business, results of operations and financial condition.

If we are unable to obtain and maintain adequate facilities and infrastructure throughout our system and, at some airports, adequate slots, we may be unable to operate our existing flight schedule and to expand or change our route network in the future, which may have a material adverse impact on our operations.

In order to operate our existing and proposed flight schedule and, where desirable, add service along new or existing routes, we must be able to maintain and/or obtain adequate gates, check-in counters, operations areas, operations control facilities and administrative support space. As airports around the world become more congested, it may not be possible for us to ensure that our plans for new service can be implemented in a commercially viable manner, given operating constraints at airports throughout our network, including those imposed by inadequate facilities at desirable airports.

In light of constraints on existing facilities, there is presently a significant amount of capital spending underway at major airports in the United States, including large projects underway at a number of airports where we have significant operations, such as Chicago O'Hare International Airport (ORD), Dallas/Fort Worth International Airport, JFK and Los Angeles International Airport (LAX). This spending is expected to result in increased costs to airlines and the traveling public that use those facilities as the airports seek to recover their investments through increased rental, landing and other facility costs. In some circumstances, such costs could be imposed by the relevant airport authority without our approval. Accordingly, our operating costs are expected to increase significantly at many airports at which we operate, including a number of our hubs and gateways, as a result of capital spending projects currently underway and additional projects that we expect to commence over the next several years.

In addition, operations at three major domestic airports, certain smaller domestic airports and many foreign airports we serve are regulated by governmental entities through allocations of slots or similar regulatory mechanisms that limit the rights of carriers to conduct operations at those airports. Each slot represents the authorization to land at or take off from the particular airport during a specified time period and may impose other operational restrictions as well. In the U.S., the DOT and the FAA currently regulate the allocation of slots or slot exemptions at DCA and two New York City airports: JFK and LGA. Our operations at these airports generally require the allocation of slots or similar regulatory authority. In addition to slot restrictions, operations at DCA and LGA are also limited based on a so-called "perimeter rule" which generally limits the stage length of the flights that can be operated from those airports to 1,250 and 1,500 miles, respectively. Similarly, our operations at LHR, international airports in Beijing, Frankfurt, Paris, Tokyo and other airports outside the U.S. are regulated by local slot authorities pursuant to the International Airline Trade Association Worldwide Scheduling Guidelines and/or applicable local law. Termination of slot controls or other operational restrictions at some or all of the foregoing airports could affect our operational performance and competitive position. We currently have sufficient slots or analogous authorizations to operate our existing flights and we have generally, but not always, been able to obtain the rights to expand our operations and to change our schedules. However, there is no assurance that we will be able to obtain sufficient slots or analogous authorizations in the future or as to the cost of acquiring such rights because, among other reasons, such allocations are often sought after by other airlines and are subject to changes in governmental policies. During periods of reduced demand for air travel, such as during the COVID-19 pandemic, we may rely on exemptions granted by applicable authorities from the requirement that we continuously use certain slots, gates and routes or risk having such operating rights revoked, and depending on the applicable authority these exemptions can vary in the way they are structured and applied. We cannot predict whether such exemptions will be made available, whether

they will be granted on the same or similar terms as in past instances, or whether we ultimately could be at risk of losing valuable operating rights. If we are forced to surrender slots or other rights, we may be unable to provide our desired level of service to or from certain destinations in the future. We cannot provide any assurance that regulatory changes resulting in changes in the application of slot controls or the allocation of or any reallocation of existing slots, the continued enforcement or termination of a perimeter rule or similar regulatory regime will not have a material adverse impact on our operations.

Our ability to provide service can also be impaired at airports, such as LAX and ORD where the airport gates and other facilities are currently inadequate to accommodate all of the service that we would like to provide, or airports such as Dallas Love Field Airport where we have no access to gates at all.

Any limitation on our ability to acquire or maintain adequate gates, ticketing facilities, operations areas, operations control facilities, slots (where applicable), or office space could have a material adverse effect on our business, results of operations and financial condition.

Interruptions or disruptions in service at one of our key facilities could have a material adverse impact on our operations.

We operate principally through our hubs in Charlotte, Chicago, Dallas/Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix and Washington, D.C. and partner gateways including London Heathrow (among others). Substantially all of our flights either originate at or fly into one of these locations. A significant interruption or disruption in service at one of our hubs, gateways or other airports where we have a significant presence, resulting from air traffic control delays, weather conditions, natural disasters, growth constraints, performance by third-party service providers (such as electric utility or telecommunications providers), failure of computer systems, disruptions at airport facilities or other key facilities used by us to manage our operations (including as a result of social or environmental activism), labor relations, power supplies, fuel supplies, terrorist activities, or otherwise could result in the cancellation or delay of a significant portion of our flights and, as a result, could have a severe impact on our business, results of operations and financial condition. We have limited control, particularly in the short term, over the operation, quality or maintenance of many of the services on which our operations depend and over whether vendors of such services will improve or continue to provide services that are essential to our business.

Increases in insurance costs or reductions in insurance coverage may adversely impact our operations and financial results.

The terrorist attacks of September 11, 2001 led to a significant increase in insurance premiums and a decrease in the insurance coverage available to commercial air carriers. Accordingly, our insurance costs increased significantly, and our ability to continue to obtain insurance even at current prices remains uncertain. The occurrence or persistence of certain events, including armed conflicts, could also impact our ability to obtain commercial insurance coverage against certain risks, or to obtain such insurance on commercially acceptable terms. If we are unable to maintain adequate insurance coverage or to secure suitable alternatives outside the commercial insurance markets, our business could be materially and adversely affected. Additionally, severe disruptions in the domestic and global financial markets could adversely impact the claims paying ability of some insurers. Future downgrades in the ratings of enough insurers could adversely impact both the availability of appropriate insurance coverage and its cost. Because of competitive pressures in our industry, our ability to pass along additional insurance costs to passengers is limited. As a result, further increases in insurance costs or reductions in available insurance coverage could have an adverse impact on our financial results.

The airline industry is heavily taxed.

The airline industry is subject to extensive government fees and taxation that negatively impact our revenue and profitability. The U.S. airline industry is one of the most heavily taxed of all industries. These fees and taxes have grown significantly in the past decade for domestic flights, and various U.S. fees and taxes also are assessed on international flights. For example, as permitted by federal legislation, most major U.S. airports impose a per-passenger facility charge on us. In addition, the governments of foreign countries in which we operate impose on U.S. airlines, including us, various fees and taxes, and these assessments have been increasing in number and amount in recent years. Moreover, we are obligated to collect a federal excise tax, commonly referred to as the "ticket tax," on domestic and international air transportation. We collect the excise tax, along with certain other U.S. and foreign taxes and user fees on air transportation (such as passenger security fees), and pass along the collected amounts to the appropriate governmental agencies. Although these taxes and fees are not our operating expenses, they represent an additional cost to our customers. There are continuing efforts in Congress and in other countries to raise different portions of the various taxes,

fees, and charges imposed on airlines and their passengers, including the passenger facility charge, and we may not be able to recover all of these charges from our customers. Increases in such taxes, fees and charges could negatively impact our business, results of operations and financial condition.

Under DOT regulations, all governmental taxes and fees must be included in the prices we quote or advertise to our customers. Due to the competitive revenue environment, many increases in these fees and taxes have been absorbed by the airline industry rather than being passed on to the customer. Further increases in fees and taxes may reduce demand for air travel, and thus our revenues.

Risks Related to Ownership of AAG Common Stock and Convertible Notes

The price of AAG common stock has been and may in the future be volatile.

The market price of AAG common stock has fluctuated substantially in the past, and may fluctuate substantially in the future, due to a variety of factors, many of which are beyond our control, including:

- the effects of external events, such as the COVID-19 pandemic, on our business or the U.S. and global economies;
- macro-economic conditions, including the price of fuel;
- changes in market values of airline companies as well as general market conditions;
- our operating and financial results failing to meet the expectations of securities analysts or investors;
- changes in financial estimates or recommendations by securities analysts;
- changes in our level of outstanding indebtedness and other obligations;
- changes in our credit ratings;
- material announcements by us or our competitors;
- expectations regarding any future capital deployment program, including share repurchase programs and any future dividend payments that may be declared by our Board of Directors, or any subsequent determination to cease repurchasing stock or paying dividends;
- new regulatory pronouncements and changes in regulatory guidelines;
- general and industry-specific economic conditions;
- changes in our key personnel;
- public or private sales of a substantial number of shares of AAG common stock or issuances of AAG common stock upon the exercise or conversion of restricted stock unit awards, stock appreciation rights, or other securities that may be issued from time to time, including warrants we have issued in connection with our receipt of funds under the CARES Act, the PSP Extension Law and the ARP;
- increases or decreases in reported holdings by insiders or other significant stockholders;
- fluctuations in trading volume; and
- technical factors in the public trading market for our stock that may produce price movements that may or may not comport with macro, industry or company-specific fundamentals, including, without limitation, the sentiment of retail investors (including as may be expressed on financial trading and other social media sites), the amount and status of short interest in our securities, access to margin debt, trading in options and other derivatives on our common stock and any related hedging and other technical trading factors.

The closing price of our common stock on the Nasdaq Global Select Market varied from \$11.86 to \$20.22 during 2022 and \$11.72 to \$18.80 during 2023 year-to-date through October 13, 2023. At times, fluctuations in our stock price have been rapid, imposing risks on investors due to the possibility of significant, short-term price volatility. While we believe that in recent years this wide range of trading prices has largely reflected the changing prospects for a large airline facing the challenges imposed by the COVID-19 pandemic, we also believe, based in part on the commentary of market analysts, that the trading price of our common stock has at times been influenced by the technical trading factors discussed in the last bullet above. On some occasions, market analysts have explained fluctuations in our stock price by reference to purported “short squeeze” activity. A “short squeeze” is a technical market condition that occurs when the price of a stock increases substantially, forcing market participants who had taken a position that its price would fall (i.e., who had sold the stock “short”), to buy it, which in turn may create significant, short-term demand for the stock not for fundamental reasons, but rather due to the need for such market participants to acquire the stock in order to forestall the risk of even greater losses. A “short squeeze” condition in the market for a stock can lead to short-term conditions involving very high volatility and trading that may or may not track fundamental valuation models.

If we decide to make repurchases of or pay dividends on our common stock, we cannot guarantee that we will continue to do so or that such a capital deployment program will enhance long-term stockholder value.

In connection with the financial assistance provided under PSP1, PSP2 and PSP3, we agreed not to repurchase shares of AAG common stock through September 30, 2022. Following the expiration of these restrictions, if we determine to make any share repurchases in the future, such repurchases may be made through a variety of methods, which may include open market purchases, privately negotiated transactions, block trades or accelerated share repurchase transactions. Our future repurchases of AAG common stock, if any, may be limited, suspended or discontinued at any time at our discretion and without prior notice.

In connection with the financial assistance provided under PSP1, PSP2 and PSP3, we also agreed not to pay dividends on AAG common stock through September 30, 2022. Following the expiration of these restrictions, if we determine to make any dividends in the future, such dividends that may be declared and paid from time to time will be subject to market and economic conditions, applicable legal requirements and other relevant factors. The amount and timing of any future dividends, if any, may vary, and the payment of any dividend does not assure that we will pay dividends in the future.

In addition, any future repurchases of AAG common stock or payment of dividends, or any determination to cease repurchasing stock or paying dividends, could affect our stock price and increase its volatility. The existence of a future share repurchase program and any future dividends could cause our stock price to be higher than it would otherwise be and could potentially reduce the market liquidity for our stock. Additionally, any future repurchases of AAG common stock or payment of dividends will diminish our cash reserves, which may impact our ability to finance future growth and to pursue possible future strategic opportunities and acquisitions. Further, our repurchase of AAG common stock may fluctuate such that our cash flow may be insufficient to fully cover our share repurchases. Under the recently enacted IRA, we may become subject to an excise tax on the fair market value of AAG common stock repurchased after December 31, 2022, which may adversely affect our financial condition. Although our share repurchase programs are intended to enhance long-term stockholder value, there is no assurance that they will do so.

AAG’s Certificate of Incorporation, Bylaws and Tax Benefit Preservation Plan include provisions that limit voting and acquisition and disposition of our equity interests and specify an exclusive forum for certain stockholder disputes.

Our Certificate of Incorporation and Bylaws include significant provisions that limit voting and ownership and disposition of our equity interests as described in Part II, Item 5. Market for American Airlines Group’s Common Stock, Related Stockholder Matters and Issuer Purchases of Equity Securities – “Ownership Restrictions” in our 2022 Form 10-K and AAG’s Description of the Registrants’ Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, which is filed as Exhibit 4.1 to our 2022 Form 10-K. Further restrictions are set forth in our Tax Benefits Preservation Plan, which was filed as Exhibit 4.1 to AAG’s Current Report on Form 8-K filed on December 22, 2021. These restrictions may adversely affect the ability of certain holders of AAG common stock and our other equity interests to vote such interests and adversely affect the ability of persons to acquire shares of AAG common stock and our other equity interests.

Our Certificate of Incorporation also specifies that the Court of Chancery of the State of Delaware shall be the exclusive forum for substantially all disputes between us and our stockholders. Because the applicability of the exclusive forum provision is limited to the extent permitted by applicable law, we do not intend for the exclusive forum provision to apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction, and acknowledge that federal courts have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act. We note that there is uncertainty as to whether a court would enforce the provision as it applies to the Securities Act and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. This provision may have the effect of discouraging lawsuits against our directors and officers.

Certain provisions of AAG's Certificate of Incorporation and Bylaws make it difficult for stockholders to change the composition of our Board of Directors and may discourage takeover attempts that some of our stockholders might consider beneficial.

Certain provisions of our Certificate of Incorporation and Bylaws, as currently in effect, may have the effect of delaying or preventing changes in control if our Board of Directors determines that such changes in control are not in our best interest and the best interest of our stockholders. These provisions include, among other things, the following:

- advance notice procedures for stockholder proposals to be considered at stockholders' meetings;
- the ability of our Board of Directors to fill vacancies on the board;
- a prohibition against stockholders taking action by written consent;
- stockholders are restricted from calling a special meeting unless they hold at least 20% of our outstanding shares and follow the procedures provided for in the amended Bylaws;
- a requirement that holders of at least 80% of the voting power of the shares entitled to vote in the election of directors approve any amendment of our Bylaws submitted to stockholders for approval; and
- super-majority voting requirements to modify or amend specified provisions of our Certificate of Incorporation.

These provisions are not intended to prevent a takeover, but are intended to protect and maximize the value of the interests of our stockholders. While these provisions have the effect of encouraging persons seeking to acquire control of our company to negotiate with our Board of Directors, they could enable our Board of Directors to prevent a transaction that some, or a majority, of our stockholders might believe to be in their best interest and, in that case, may prevent or discourage attempts to remove and replace incumbent directors. In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law, which prohibits business combinations with interested stockholders. Interested stockholders do not include stockholders whose acquisition of our securities is approved by the Board of Directors prior to the investment under Section 203.

The issuance or sale of shares of our common stock, rights to acquire shares of our common stock, or warrants issued to Treasury under the CARES Act, the PSP Extension Law, the ARP, PSP1, PSP2 and PSP3, could depress the trading price of our common stock and the Convertible Notes.

We may conduct future offerings of material amounts of our common stock, preferred stock or other securities that are convertible into or exercisable for our common stock to finance our operations, to fund acquisitions, or for any other purposes at any time and from time to time (including as compensation to the U.S. Government for the proceeds received pursuant to PSP1, PSP2 or PSP3). If these additional shares or securities are issued or sold, or if it is perceived that they will be sold, into the public market or otherwise, the trading price of our common stock and the 6.50% convertible senior notes due 2025 (the Convertible Notes) could decline substantially. If we issue additional shares of our common stock or rights to acquire shares of our common stock, if any of our existing stockholders sells a substantial amount of our common stock, or if the market perceives that such issuances or sales may occur, then the trading price of our common stock and the Convertible Notes could decline substantially.

ITEM 5. OTHER INFORMATION*Securities Trading Plans of Directors and Executive Officers*

During the three months ended September 30, 2023, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of AAG securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

ITEM 6. EXHIBITS

Exhibits required to be filed by Item 601 of Regulation S-K: Where the amount of securities authorized to be issued under any of our long-term debt agreements does not exceed 10% of our assets, pursuant to paragraph (b)(4) of Item 601 of Regulation S-K, in lieu of filing such as an exhibit, we hereby agree to furnish to the Commission upon request a copy of any agreement with respect to such long-term debt.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Supplemental Agreement No. 31, dated as of July 5, 2023, to Purchase Agreement No. 03735 dated as of February 1, 2013, between American Airlines, Inc. and the Boeing Company.*
10.2	Supplemental Agreement No. 20, dated as of August 31, 2023, to Purchase Agreement No. 3219 dated as of October 15, 2008, by and between American Airlines, Inc. and The Boeing Company.*
10.3	Severance Agreement and Restrictive Covenants Agreement, dated as of September 20, 2023, among American Airlines Group, Inc., American Airlines, Inc. and Robert D. Isom.
10.4	Severance Agreement and Restrictive Covenants Agreement, dated as of September 20, 2023, among American Airlines Group, Inc., American Airlines, Inc. and Stephen L. Johnson.
10.5	Severance Agreement and Restrictive Covenants Agreement, dated as of September 20, 2023, among American Airlines Group, Inc., American Airlines, Inc. and David G. Seymour.
31.1	Certification of AAG Chief Executive Officer pursuant to Rule 13a-14(a).
31.2	Certification of AAG Chief Financial Officer pursuant to Rule 13a-14(a).
31.3	Certification of American Chief Executive Officer pursuant to Rule 13a-14(a).
31.4	Certification of American Chief Financial Officer pursuant to Rule 13a-14(a).
32.1	AAG Certification pursuant to Rule 13a-14(b) and section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code).
32.2	American Certification pursuant to Rule 13a-14(b) and section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code).
101.1	Interactive data files pursuant to Rule 405 of Regulation S-T, formatted in Inline XBRL (eXtensible Business Reporting Language).
104.1	Cover page interactive data file (formatted in Inline XBRL and contained in Exhibit 101.1).

* Portions of this exhibit have been omitted in accordance with Item 601(b)(10) of Regulation S-K.

SUPPLEMENTAL AGREEMENT NO. 31

to

PURCHASE AGREEMENT NO. 03735

between

THE BOEING COMPANY

and

AMERICAN AIRLINES, INC.

Relating to Boeing Model 737 MAX Aircraft

This SUPPLEMENTAL AGREEMENT No. 31 (**SA-31**) To PURCHASE AGREEMENT NO. 03735, entered into as of July 5, 2023 (**Effective Date**), by and between THE BOEING COMPANY, a Delaware corporation with offices in Seattle, Washington (**Boeing**) and AMERICAN AIRLINES, INC. a Delaware corporation with offices in Fort Worth, Texas, together with its successors and permitted assigns (**Customer**);

WHEREAS, Boeing and Customer entered into Purchase Agreement No. 03735 dated February 1, 2013 relating to Boeing Model 737 MAX Aircraft, as amended and supplemented (**Purchase Agreement**) and capitalized terms used herein without definitions shall have the meanings specified therefore in such Purchase Agreement;

WHEREAS, in [****] to the [****] Aircraft that Customer had previously [****] as set forth in Table 1R12, 1-2, 1-3R6, 1-4R7, and 1-5R1 to the Purchase Agreement, Customer [****], [****] in Attachment A(R12) to Letter Agreement No. AAL-PA-03735-LA-1106651R12 entitled "[****]" ([****] **Letter Agreement**) with [****], pursuant to the terms and conditions of the [****] Letter Agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree that the Purchase Agreement is amended and supplemented as set forth below and otherwise agree as follows:

1. Table of Contents.

The “Table Of Contents” to the Purchase Agreement referencing SA-30 in the footer is deleted in its entirety and is replaced with the new “Table Of Contents” (attached hereto) referencing SA-31 in the footer to reflect changes made to the Purchase Agreement by this SA-31. Such new Table of Contents is hereby incorporated into the Purchase Agreement in replacement of its predecessor.

2. Tables.

2.1 Table 1-5R1. Table 1-5R1 entitled “[****] 737-8 [****] Aircraft Delivery, Description, Price and Advance Payments” is hereby deleted in its entirety and replaced with Table 1-5R2 entitled “737-8 [****] Aircraft Delivery, Description, Price and Advance Payments” (attached hereto) referencing SA-31 in the footer is hereby incorporated into the Purchase Agreement in replacement of Table 1-5R1. For avoidance of doubt, this Table 1-5R2 [****].

3. Letter Agreements.

3.1 Letter Agreement No. AAL-PA-03735-LA-1106651R12 (including Attachment A(R12) entitled [****]) is hereby deleted in its entirety and replaced with Letter Agreement No. AAL-PA-03735-LA-1106651R13 (including Attachment A(R13) (attached hereto) entitled [****] ([****]) referencing SA-31 in the footer. The [****] is hereby incorporated into the Purchase Agreement.

3.2 In addition to the [****], the parties agree [****] to Letter Agreement No. AAL-PA-03735-LA-1106652R2 entitled [****], will be [****], or such [****], to [****].

5. [****].

[****] for the [****], [****] ([****]) ([****] specified in Table 1-5R2 to the Purchase Agreement for the [****]) are [****] per [****] of the [****] and as specified in the [****] upon execution of this SA-31.

6. Miscellaneous.

6.1 The Purchase Agreement is amended and supplemented as set forth above by the revised Table Of Contents, Table 1-5R2, and [****]. All other terms and conditions of the Purchase Agreement remain unchanged and are in full force and effect.

6.2 The following references in the Purchase Agreement and any supplemental agreements and associated letter agreements are deemed to refer to “Table 1R12, Table 1-2, Table 1-3R6, Table 1-4R7, and Table 1-5R2”:

- “Table 1” or “Table 1R2” or “Table 1R3”, or “Table1R4 and Table 1-2”,

- “Table 1R5 and Table 1-2”,
- “Table 1R6, Table 1-2, and Table 1-3”,
- “Table 1R7, Table 1-2, and Table 1-3R1”,
- “Table 1R8, Table 1-2, and Table 1-3R2”,
- “Table 1R9, Table 1-2, and Table 1-3R3”,
- “Table 1R10, Table 1-2, and Table 1-3R4”,
- “Table 1R11, Table 1-2, and Table 1-3R5”,
- “Table 1R12, Table 1-2 and Table 1-3R6”,
- “Table 1R12, Table 1-2, Table 1-3R6, and Table 1-4”,
- “Table 1R12, Table 1-2, Table 1-3R6, and Table 1-4R1”
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- “Table 1R12, Table 1-2, Table 1-3R6, and Table 1-4R4”
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- “Table 1R12, Table 1-2, Table 1-3R6, and Table 1-4R6”
- “Table 1R12, Table 1-2, Table 1-3R6, Table 1-4R7, and Table 1-5”
- “Table 1R12, Table 1-2, Table 1-3R6, Table 1-4R7, and Table 1-5R1”

References in the Purchase Agreement and any supplemental agreements and associated letter agreements to “Table 1R4” or “Table 1R5” (where no corresponding reference to Table 1-2 is made) are deemed to refer to “Table 1R12 and Table 1-3R6”, (including without limitation, and for the avoidance of doubt, the references to Table 1R4 in Section 3 of Supplemental Agreement No. 9 dated April 6, 2018). However, references in the Purchase Agreement to Table 1R5 in Letter Agreement AAL-PA-LA-1106650R4 entitled “[****]” is deemed to only refer to Table 1R12 and the references to Table 1R5 in the Slide Letter Agreement remain references to Table 1R5.

References in the Purchase Agreement and any supplemental agreements and associated letter agreements to “Table 1R6”, “Table 1R7”, “Table 1R8”, “Table 1R9”, “Table 1R10” or “Table 1R11” (where no corresponding reference to either Table 1-2 or Table 1-3 is made) are deemed to refer to only “Table 1R12”.

Additionally, for the avoidance of doubt, references in the Purchase Agreement and any supplemental agreements and associated letter agreements to “Table 1-2” (where no corresponding reference to Table 1R4 or Table 1R5 is made) remain references to “Table 1-2”.

6.3 References in the Purchase Agreement and any supplemental agreements and associated letter agreements to the tables, exhibits, supplemental exhibits and letter agreements listed in the left column of the below table shall be deemed to refer to the corresponding revised versions of the tables, exhibits, supplemental exhibits and letter agreements listed in the right column of the below table.

<u>Reference</u>	<u>Replacement Reference</u>
Letter Agreement No. AAL-PA-03735-LA-1106651R12	Letter Agreement No. AAL-PA-03735-LA-1106651R13

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AGREED AND ACCEPTED this

5 July 2023

Date

THE BOEING COMPANY

AMERICAN AIRLINES, INC.

/s/ The Boeing Company

/s/

Signature

Signature

The Boeing Company

American Airlines, Inc.

Printed name

Printed name

Attorney-in-Fact

Sr. Vice President, Treasurer

Title

Title

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* - This is an intended gap as there are no Letter Agreements LA-1106674 through LA-1106676 incorporated by the Purchase Agreement.



**Table 1-5R2 To
Purchase Agreement No. PA-03735
[****] 737-8 [****] Aircraft Delivery, Description, Price and Advance Payments**

Airframe
Model/MTOW: 737-8 [****] pounds **Detail Specification:** [****]
 CFMLEAP- **Airframe Price Base Year/Escalation**
Engine Model/Thrust: 1B25 [****] pounds **Formula:** [****] [****]
Engine Price Base Year/Escalation
Airframe Price: \$[****] **Formula:**
Optional Features: \$[****]
Sub-Total of Airframe and Features: \$[****] **Airframe Escalation Data:**
Engine Price (Per Aircraft): \$[****] **Base Year Index (ECI):** [****]
Aircraft Basic Price (Excluding
BFE/SPE): \$[****] **Base Year Index (CPI):** [****]
Buyer Furnished Equipment (BFE)
Estimate: \$[****]
Seller Purchased Equipment (SPE)
Estimate: \$[****]
LIFT Seats Provided by Boeing
(Estimate): \$[****]
Deposit per Aircraft: \$[****]

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Nominal Delivery Month	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
					At Signing	[****]	[****]	Total
[****]-2025	1	[****]		\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2025	1	[****]		\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2025	1	[****]		\$[****]	\$[****]	\$[****]	\$[****]	\$[****]

Total: 3



AAL-PA-03735-LA-1106651R13

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: [****]

Reference: Purchase Agreement No. 03735 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and American Airlines, Inc. (**Customer**) relating to Model 737 MAX aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement.

1. Right to Purchase [****].

Subject to the terms and conditions contained in this Letter Agreement, in addition to the Aircraft described in Table 1R12, Table 1-2, Table 1-3R6, Table 1-4R7, and Table 1-5R2 to the Purchase Agreement as of the date of execution of this Letter Agreement, [****] ([****]).

2. [****].

2.1 [****]. The [****] with [****] in calendar year [****] are listed in Attachment A(R13) to this Letter Agreement.

2.2 [****]. The [****] with [****] ([****]) in [****] for each [****] are listed in Attachment A(R13) to this Letter Agreement. No later than [****] to the [****] in each of calendar years [****], Boeing will provide written notice setting forth [****] with a [****] in such calendar year. Such notice will constitute an amendment to Attachment A(R13) to this Letter Agreement.

3. Configuration.

3.1 Subject to the provisions of Section 3.2 below, the configuration for the [****] will be the Detail Specification for the Aircraft at the revision level in effect at the time of [****] (as defined in Section 8 below). Such Detail Specification will be revised to include:

(i) [****],

(ii) [****], and

(iii) [****].

3.2 Boeing reserves the right to [****] the [****] starting from a [****]; so long as Boeing can achieve the same [****] which would result pursuant to the provisions of Section 3.1 above.

4. Price.

4.1 The [****] Aircraft Basic Price for each of the [****] are identified in Attachment A(R13) to this Letter Agreement.

4.2 The [****] Aircraft Basic Price for each of the [****] shall be [****].

4.3 The Advance Payment Base Price shall be developed in accordance with the terms of the Purchase Agreement and determined at the time of [****].

5. Payment.

5.1 [****]

5.2 [****]

5.3 [****]

6. Reserved.

7. [****].

7.1 Customer may [****] to Boeing [****] ([****]).

7.2 Reserved.

8. [****].

8.1 [****]

8.2 Reserved.

8.2.1 Reserved.

8.2.2 Reserved.

8.3 Reserved.

8.3.1 Reserved.



9. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Aircraft and cannot be assigned in whole or, in part, without the prior written consent of Boeing.

10. Confidential Treatment.

The information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. This Letter Agreement shall be subject to the terms and conditions of Letter Agreement No. AAL-PA-03735-LA-1106670 entitled "Confidentiality".

(Intentionally Left Blank)



Very truly yours,

THE BOEING COMPANY

By: /s/ The Boeing Company

Its: Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: 5 July 2023

AMERICAN AIRLINES, INC.

By: /s/ American Airlines, Inc.

Its: Senior Vice President, Treasurer

Attachment A(R13) To
 Letter Agreement No. AAL-PA-03735-LA-1106651R8
 737-8 [****] Aircraft Delivery, Description, Price and Advance Payments

Airframe

Model/MTOW: 737-8 [****] pounds
 CFMLEAP-
Engine Model/Thrust: 1B25 [****] pounds
Airframe Price: \$[****]
Optional Features: \$[****]
Sub-Total of Airframe and Features: \$[****]
Engine Price (Per Aircraft): \$[****]
Aircraft Basic Price (Excluding BFE/SPE): \$[****]
Buyer Furnished Equipment (BFE) Estimate: \$[****]
Seller Purchased Equipment (SPE) Estimate: \$[****]
LIFT Seats Provided by Boeing (Estimate): \$[****]
Deposit per Aircraft: \$[****]

Detail Specification: [****]
Airframe Price Base Year/Escalation Formula: [****] [****]
Engine Price Base Year/Escalation Formula:
Airframe Escalation Data:
Base Year Index (ECI): [****]
Base Year Index (CPI): [****]

		Escalation			Escalation Estimate	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
Delivery	Number of	Factor		Nominal Delivery	Adv Payment Base	At Signing	[****]	[****]	Total
Date	Aircraft	(Airframe)		Month	Price Per A/P	[****]	[****]	[****]	[****]
[****]-2025	1	[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2025	1	[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2025	1	[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2025	1	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026	1	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]

		Escalation			Escalation Estimate	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
Delivery	Number of	Factor		Nominal Delivery	Adv Payment Base	At Signing	Delivery	Number of	Factor
Date	Aircraft	(Airframe)		Month	Price Per A/P	[****]	Date	Aircraft	(Airframe)
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026	1	[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026	1	[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026	1	[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026	1	[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026	1	[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026	1	[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026	1	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026	1	[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026		[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026	1	[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]

		Escalation			Escalation Estimate	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
Delivery	Number of	Factor		Nominal Delivery	Adv Payment Base	At Signing	Delivery	Number of	Factor
Date	Aircraft	(Airframe)		Month	Price Per A/P	[****]	Date	Aircraft	(Airframe)
[****]-2027	1	[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027	1	[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027	1	[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027	1	[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027	1	[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027	1	[****]			\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027	1	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027	1	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]

		Escalation			Escalation Estimate	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
Delivery	Number of	Factor		Nominal Delivery	Adv Payment Base	At Signing	Delivery	Number of	Factor
Date	Aircraft	(Airframe)		Month	Price Per A/P	[****]	Date	Aircraft	(Airframe)
[****]-2027	1	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028		[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028	1	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028		[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]

Total: 25

SUPPLEMENTAL AGREEMENT NO. 20

to

Purchase Agreement No. 3219

between

THE BOEING COMPANY

and

AMERICAN AIRLINES, INC.

Relating to Boeing Model 787 Aircraft

THIS SUPPLEMENTAL AGREEMENT No. 20 (**SA-20**) is made between THE BOEING COMPANY, a Delaware corporation with offices in Seattle, Washington (**Boeing**), and AMERICAN AIRLINES, INC, a Delaware corporation with offices in Fort Worth, Texas, together with its successors and permitted assigns (**Customer**);

WHEREAS, Boeing and Customer entered into Purchase Agreement No. 3219 dated October 15, 2008, relating to Boeing Model 787 aircraft, as amended and supplemented (**Purchase Agreement**) and capitalized terms used herein without definitions shall have the meanings specified in such Purchase Agreement;

WHEREAS, Customer and Boeing desire to (i) [****] 787-9 Aircraft ([****]) [****], and [****] of the [****], and (ii) to [****] for the [****];

WHEREAS, Customer and Boeing agree to [****];

WHEREAS, Customer and Boeing desire to [****] letter agreement AAL-PA-03219-1804779R1, entitled "[****]," including Attachments A and B thereto, to [****]; and

WHEREAS, Customer and Boeing desire to revise letter agreement 6-1162-TRW-0674R4 entitled "Business Considerations," and letter agreement AAL-PA-03219-2101557 entitled "[****]".

NOW, THEREFORE, the parties agree that the Purchase Agreement is amended as set forth below and otherwise agree as follows:

1. **Table of Contents.**

The Table of Contents referencing SA-19 in the footer is deleted in its entirety and is replaced with the new Table of Contents (attached hereto) referencing SA-20 in the footer. Such new Table of Contents is hereby incorporated into the Purchase Agreement in replacement of its predecessor.

2. **Tables.**

2.1 Table 5(R4). Table 5(R3) entitled “787-9 [****] Aircraft, Aircraft Delivery, Description, Price and Advance Payments” referencing SA-19 in the footer is deleted in its entirety and is replaced with the similarly titled Table 5(R4) (attached hereto) referencing SA-20 in the footer. Table 5(R4) is hereby incorporated into the Purchase Agreement in replacement of Table 5(R3).

3. **Letter Agreements.**

3.1 Letter Agreement 6-1162-TRW-0674R5. Letter Agreement 6-1162-TRW-0674R4 entitled “Business Considerations,” referencing SA-11 in the footer is deleted in its entirety and replaced with the similarly titled Letter Agreement 6-1162-TRW-0674R5 (attached hereto) referencing SA-20 in the footer. Letter Agreement 6-1162-TRW-0674R5, is hereby incorporated into the Purchase Agreement in replacement of 6-1162-TRW-0674R4.

3.2 Letter Agreement AAL-PA-03219-1804779R2. Letter Agreement AAL-PA-03219-1804779R1 entitled “[****],” including Attachments A and B thereto, referencing SA-19 in the footer is deleted in its entirety and replaced with the similarly titled Letter Agreement AAL-PA-03219-1804779R2, including Attachments A and B thereto (attached hereto) referencing SA-20 in the footer. Letter Agreement AAL-PA-03219-1804779R2, including Attachments A and B thereto is hereby incorporated into the Purchase Agreement in replacement of AAL-PA-03219-1804779R1, including Attachments A and B.

3.3 Letter Agreement AAL-PA-03219-2101557R1. Letter Agreement AAL-PA-03219-2101557 entitled “[****],” referencing SA-16 in the footer is deleted in its entirety and replaced with the similarly titled Letter Agreement AAL-PA-03219-2101557R1 (attached hereto) referencing SA-20 in the footer. Letter Agreement AAL-PA-03219-2101557R1, is hereby incorporated into the Purchase Agreement in replacement of AAL-PA-03219-2101557.

3.4 Letter Agreement AAL-PA-03219-2303491. Letter Agreement AAL-PA-03219-2303491 entitled “Special Matters – [****]” including Attachment A thereto, is hereby incorporated into the Purchase Agreement.

4. **Miscellaneous.**

4.1 Boeing will [****]related matters.

4.2 For each of the 787-9 [****] Delivery Aircraft, per the [****] terms in Letter Agreement AAL-PA-03219-2303491 ([****]), the [****] for such 787-9 [****] Delivery Aircraft ([****]) [****].

5. **Effect on Purchase Agreement.**

5.1 **Table 5 Reference Clarifications.**

5.1.1 The following references in the Purchase Agreement and the associated exhibits, supplemental exhibits, and letter agreements to the Purchase Agreement to “Table 5(R1),” Table 5(R2), and Table 5(R3) is now deemed to refer to “Table 5(R4)”. Specifically, the locations of such references are (but may not be limited to) as follows:

<u>Location of References*</u>
Articles 1, 2, 3 (all sections), 4 (all sections), and Section 5.1 of the Basic Articles
Exhibit C(R1), Definitions of “Aircraft” and “Engine”
Section 1 of Supplemental Exhibit AE1
Section 1.4.1 of Letter Agreement 6-1162-CLO-1047R4 entitled “[*****]”
Section 1 (definition of “Firm Aircraft”) and Attachment C(R4) of Letter Agreement 6-1162-TRW-0664R2 entitled “[*****]”
Section 1.1 of LA 6-1162-TRW-0672R1 entitled “ <u>Promotional Support Agreement</u> ”
Sections 4a2, 6, and 9.2 of Letter Agreement 6-1162-TRW-0674R4 entitled “ <u>Business Considerations</u> ”
Section 1 of Letter Agreement AAL-PA-03219-1804779 entitled “[*****]”
Section 1.2 of Letter Agreement AAL-PA-3219-LA1802492 entitled “ <u>Open Configuration Matters</u> ”
Section 1.3.1.1 of Letter Agreement AAL-1604503 entitled “787 Aircraft Business Matters”
Sections 6 and 7 of Supplemental Agreement No. 11
Supplemental Exhibit EE1

5.2 References in the Purchase Agreement and any supplemental agreements and associated letter agreements to the tables, exhibits, supplemental exhibits and letter agreements listed in the left column of the below table shall be deemed to refer to the corresponding tables, exhibits, supplemental exhibits and letter agreements listed in the right column of the below table.

Reference	Replacement Reference
Letter Agreement 6-1162-TRW-0674R4	Letter Agreement 6-1162-TRW-0674R5
Letter Agreement AAL-PA-03219-LA-1804779R1	Letter Agreement AAL-PA-03219-LA-1804779R2
Letter Agreement AAL-PA-03219-2101557	Letter Agreement AAL-PA-03219-2101557R1

5.3 Upon execution of this SA-20, Boeing [****]. Such [****]. The [****] ([****]).

5.4 Except as expressly set forth herein, all terms and provisions contained in the Purchase Agreement shall remain in full force and effect. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, and agreements, understandings, commitments or representations whatsoever, oral or written, with respect to the subject matter hereof and may be changed only in writing signed by authorized representatives of the parties.

The rest of this page is left intentionally blank.

AGREED AND ACCEPTED

August 31, 2023

Date

THE BOEING COMPANY

/s/ The Boeing Company

Signature

The Boeing Company

Printed name

Attorney-in-Fact

Title

AMERICAN AIRLINES, INC.

/s/ American Airlines, Inc.

Signature

American Airlines, Inc.

Printed name

SVP, Treasurer

Title

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5(R4)	2018 787-9 [****] Aircraft Information Table – GENX	SA-20
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C(R1).	Defined Terms	SA-3
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3219-08R2	Open Configuration Matters WITHDRAWN	SA-8
6-1162-AKP-071R1	[****] Terminated per AAL-PA-1977-LA-1105595	
6-1162-AKP-072R2	[****] Terminated per AAL-PA-1977-LA-1105595	
6-1162-AKP-073R1	Accident Claims and Litigation	
6-1162-CLO-1031R1	[****]WITHDRAWN	SA-2 SA-3
6-1162-CLO-1032R1	[****] Terminated	SA-3
6-1162-CLO-1039	[****]	
6-1162-CLO-1042	[****]	
6-1162-CLO-1043R1	787 Inspection Process	SA-3
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6-1162-CLO-1046	SA-eE, COTS Software and End User License Matters WITHDRAWN	SA-3
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AAL-PA-3219-2101557R1	[****]	SA-20
AAL-LA-2100530	[****]	SA-16
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ATTACHMENTS

Attachment 1	Schedule for [****] of 787-9 MADP Rights	SA-11
Attachment 2	Schedule for [****] of 787-9 QADP Rights	SA-11
Attachment 3	787-9 Purchase Rights Aircraft [****] Delivery Schedule	SA-11

**Table 5(R4) To
Purchase Agreement No. PA-03219
787-9 [****] Aircraft Delivery, Description, Price and Advance Payments**

Airframe			Detail	
Model/MTOW:	787-9	[****] pounds	Specification:	[****]
	GENX-			
Engine Model/Thrust:	1B74/75	[****]pounds	Airframe Price Base Year/Escalation Formula:	[****] [****]
Airframe Price:		\$[****]	Engine Price Base Year/Escalation Formula:	[****] [****]
				DAAL89-1- {TBD}
Optional Features:		\$[****]	Airframe Escalation Data:	
Sub-Total of Airframe and Features:		\$[****]	Base Year Index (ECI):	[****]
Engine Price (Per Aircraft):		\$[****]	Base Year Index (CPI):	[****]
Aircraft Basic Price (Excluding BFE/SPE):		\$[****]	Engine Escalation Data:	
Buyer Furnished Equipment (BFE) Estimate:		\$[****]	Base Year Index (ECI):	[****]
//Seller Purchased Equipment (SPE)/In-Flight Entertainment (IFE)// Estimate:		\$[****]	Base Year Index (CPI):	[****]
LIFT Seats Provided by Boeing (Estimate):		\$[****]		
Deposit per Aircraft:		\$[****]		

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	Escalation Estimate	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):				
					Adv Payment Base Price Per A/P	[****] [****]	[****] [****]	[****] [****]	Total [****]
[****]-2024	1	[****]	[****]		\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2024	1	[****]	[****]		\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2024	1	[****]	[****]		\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2025	2	[****]	[****]		\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2025	1	[****]	[****]		\$[****]	\$[****]	\$[****]	\$[****]	\$[****]

**Table 5(R4) To
Purchase Agreement No. PA-03219
787-9 [****] Aircraft Delivery, Description, Price and Advance Payments**

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	Escalation Estimate Adv Payment Base	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
					[****] [****]	[****] [****]	[****] [****]	Total [****]
[****]-2026	1	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026	1	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026	1	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2026	1	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027	1	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027	1	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027	2	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2027	1	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028	2	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028	1	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028	1	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028	1	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2029	2	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2029	1	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2029	1	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2029	1	[****]	[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]

Total: 25

Note: [****]



AAL-PA-03219-LA-2303491

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: Special Matters – [****]

Reference: Purchase Agreement No. PA-3219 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and American Airlines, Inc. (**Customer**) relating to Model 787-9 aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

The terms and conditions described in this Letter Agreement are applicable only to the aircraft described in Section 1 below.

1. [****].

This Letter Agreement [****] ([****]) Aircraft [****] ([****]) and [****]. For avoidance of doubt, [****] under the Purchase Agreement. Attachment A of this Letter Agreement [****] ([****]) in column 2 and sets forth [****] ([****]) for the [****] in column 4. Additionally, Table 1-5R4 of the Purchase Agreement [****] of this Letter Agreement.

2. [****].

[****].

3. [****].

3.1 The [****] for [****]. For the avoidance of doubt, Boeing [****] of the [****] for the [****] for the [****].

3.2 If the [****] of the [****], then [****] of the [****] from the [****] to the [****] the terms and conditions of the Purchase Agreement (that is, if the Purchase Agreement [****]).

3.3 The [****] of the [****] that are [****] and which are [****], pursuant to this Letter Agreement or pursuant to [****] to the [****]. If a [****] is [****] to [****], then the terms and conditions of the Purchase Agreement [****] described in this Section 3.3.

4. [****].



[****] for the [****] are [****] by Customer per Letter Agreement 6-1162-CLO-1047R4 entitled “[****]”. The [****] for the [****] will be [****] per the [****] as found on Table 1-5R4 [****] set forth in Section 3 of this Letter Agreement.

5. [****].

5.1 The [****] in Table 7(R1) and certain of the [****] in Table 5(R4), both as shown in column 2 of Attachment A to this Letter Agreement, [****] as shown in column 3 and 4 (collectively, the [****] and the [****] excluding the [****], the [****]). Customer [****] of Letter Agreement 6-1162-TRW-0670R1 entitled “Miscellaneous Commitments for Model 787 Aircraft” ([****]) for each of the [****] for the [****] and the [****], set forth in column 3 of Attachment A and for each [****] for the [****] and the [****], set forth in column 4 of Attachment A.

5.2 For the avoidance of doubt, Customer [****]:

5.2.1 For [****];

5.2.2 For the [****], for any [****] in column 3 of Attachment A; and

5.2.3 For the [****], for any [****] in column 4 of Attachment A.

6. Confidentiality.

Customer and Boeing understand that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. This Letter Agreement Letter shall be subject to the terms and conditions of Letter Agreement 6-1162-TRW-0673R1 entitled “Confidentiality.

7. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer’s becoming the operator of the Aircraft and cannot be assigned, in whole or in part, without the prior written consent of Boeing, except to the extent permissible under the terms of the AGTA.



Very truly yours,

THE BOEING COMPANY

By /s/ The Boeing Company

Its Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: August 31, 2023

AMERICAN AIRLINES, INC.

By /s/ American Airlines, Inc.

Its SVP, Treasurer

Attachment A to AAL-PA-03219-LA-2303491

1.	2. [****]	3. [****]	4. [****]	5. [****]	6. Notes
1	[****]	[****]	-	[****]	
2	[****]	[****]	-	[****]	
3	[****]	[****]	-	[****]	
4	[****]	[****]	-	[****]	
5	[****]	[****]	-	[****]	
6	[****]	[****]	-	[****]	
7	[****]	[****]	-	[****]	
8	[****]	[****]	[****]	[****]	[****]
9	[****]	[****]	[****]	[****]	[****]
10	[****]	[****]	[****]	[****]	[****]
11	[****]	[****]	[****]	[****]	[****]
12	[****]	[****]	-	[****]	
13	[****]	[****]	-	[****]	
14	[****]	[****]	-	[****]	
15	[****]	[****]	-	[****]	
16	[****]	[****]	[****]	[****]	[****]
17	[****]	[****]	[****]	[****]	[****]
18	[****]	[****]	[****]	[****]	[****]
19	[****]	[****]	[****]	[****]	[****]
20	[****]	[****]	[****]	[****]	[****]
21	[****]	[****]	[****]	[****]	[****]



AAL-PA-03219-LA-1804779R2

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: [****]

Reference: Purchase Agreement No. 03219 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and American Airlines, Inc. (**Customer**) relating to Model 787 aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement.

1. Right to [****] Aircraft.

Subject to the terms and conditions contained in this Letter Agreement, in [****] to the Aircraft described in Table 1(R7), Table 5(R4) and Table 7(R2) to the Purchase Agreement as of the date of execution of this Letter Agreement, [****].

2. Delivery.

The number of initial [****] and the [****] for each such [****] are listed in Attachment A to this Letter Agreement.

3. [****].

3.1 Customer may [****] by giving written notice to Boeing [****] on or before the date that is [****]. Upon the giving of such [****] referenced in such [****] shall be deemed an Aircraft for all purposes of the Purchase Agreement and an [****] for the purposes of this Letter Agreement.

3.2 If Boeing must [****], subject to Customer's agreement. Such [****]. If Boeing [****]. If within [****]. If the parties are [****]. Immediately upon the [****] to Customer by Boeing. When making any such [****].

4. [****].

Customer will have the [****], subject to the following terms:

4.1 The [****] are shown in Attachments A and B to this Letter Agreement and are [****], subject to the provisions in Section 4.2 below.

4.2 For each of the [****] indicated in Attachment A to this Letter Agreement. Customer may [****]. By way of example, if an [****].

4.2.1 Notwithstanding the foregoing, Customer may [****] in Attachment A to this Letter Agreement by giving Boeing written notice of such [****] in the event of any of the following: (i) an [****] in accordance with Section 3.2 above, (ii) such [****] in accordance with Section 3.2 above, or (iii) a [****], in accordance with Section 2 of Letter Agreement No. AAL-PA-03219-LA-1802262R1, entitled “[****]”.

4.2.2 If Customer provides Boeing with an [****]. If Boeing [****] as set forth on Attachment B to this Letter Agreement.

4.2.3 If Boeing is [****] set forth on Attachment B to this Letter Agreement, then Boeing shall [****]. If Customer [****].

4.2.4 [****] in accordance with Section 4.2.3 shall be [****] until the Limited Scope Supplemental Agreement is executed by the parties.

4.3 A [****] for the purposes of this Letter Agreement, and the terms applicable to [****], as follows:

4.3.1 Upon the [****] as set forth on Attachment B of this Letter Agreement; or

4.3.2 Upon Customer’s [****] as set forth on Attachment B of this Letter Agreement and [****].

4.4 For avoidance of doubt, all [****].

5. [****].

5.1 Subject to the provisions of Section 5.2, below, the [****] shown in Attachment A to this Letter Agreement.

5.2 Boeing [****] pursuant to the provisions of Section 5.1 at [****] to Customer.

6. [****].

6.1 The [****] are identified in Attachment A to this Letter Agreement. The [****] are identified in Attachment B to this Letter Agreement.

6.2 The [****] in accordance with the terms set forth in [****] as such provisions have been applied to the [****].

6.3 At the time of execution of each [****], the [****] in accordance with the terms of the Purchase Agreement.

6.4. [****]. Boeing will [****] to Customer:

6.4.1 [****]. Boeing will [****] to Customer at the [****]. The [****] is:

[****] [****]
[****] [****]

Each such [****] in accordance with the provisions of the [****] as such provisions have been applied to the [****].

6.4.2 [****]. Boeing will [****] to Customer at the [****]. The [****] in accordance with the provisions of the [****] as such provisions have been applied to the [****]. Such [****].

6.4.3 [****]. Boeing will [****] to Customer at the [****]. The [****] in accordance with the provisions of the [****] as such provisions have been applied to the [****]. Such [****].

6.4.4 [****]. In recognition of Customer [****] per this Letter Agreement, Boeing will [****] to Customer up to [****]. The [****] in accordance with the provisions of the [****] as such provisions have been applied to the [****]. Except as set forth below in this Section 6.4.4, the [****]. Each [****].

6.4.4.1 If (i) Customer [****] or (ii) the [****]. The [****] in accordance with the provisions of the [****] Letter Agreement, as such provisions have been applied to the [****]. The [****]; provided that:

- (i) if the [****];
- (ii) if the [****];
- (iii) if the [****];
- (iv) if the [****].

Such [****].

6.4.5. [****]. Boeing will [****] to Customer at the [****]. The [****] in accordance with the provisions of the [****] as such provisions have been applied to the [****]. Such [****].

7. [****].

7.1 Customer will [****], on the date of execution of this Letter Agreement. If Customer [****]. If Customer [****].

7.2 Customer shall [****]. For the avoidance of doubt, there shall be no [****].

7.3 Notwithstanding the [****], the [****]. Upon execution of SA-11, [****].

7.4 Upon execution of a Limited Scope Supplemental Agreement [****] as specified in Section 1.4.2 of Letter Agreement 6-1162-CLO-1047R4, entitled “[****]” of the Purchase Agreement. The remainder of the [****] in accordance with the provisions of the Purchase Agreement. For the avoidance of doubt, [****] until the applicable Limited Scope Supplemental Agreement has been entered into by the parties.

8. [****].

Upon Customer’s [****], Boeing and Customer will enter into a Supplemental Agreement with respect to each [****], the scope and purpose of which shall be limited to [****] into the Purchase Agreement as an [****] (**Limited Scope Supplemental Agreement**). The Limited Scope Supplemental Agreement will incorporate the provisions of the Purchase Agreement as modified to reflect the provisions of this Letter Agreement (including, but not limited to, modifications to Attachment A to this Letter Agreement to reflect the addition of new [****] and modifications to Attachment A to Letter Agreement AAL-PA-03219-LA-1802262 entitled “[****]” to reflect the addition of the new Aircraft).

9. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer’s becoming the operator of the Aircraft and cannot be assigned in whole or, in part, without the prior written consent of Boeing.



10. Confidential Treatment.

The information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer will limit the disclosure of its contents to employees of Customer with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing. Subject to the terms and conditions of Letter Agreement 6-1162-TRW-0673R1 entitled "Confidentiality", either party may disclose the information contained herein without the consent of the other party when and to the extent required by any law applicable to such party or by a Governmental Authority.

Very truly yours,

THE BOEING COMPANY

By: /s/ The Boeing Company

Its: Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: August 31, 2023

AMERICAN AIRLINES, INC.

By: /s/ American Airlines, Inc.

Its: SVP, Treasurer

**Attachment A to
Letter Agreement No. AAL-0319-LA-1804779R2
[****] Delivery, Description, Price and Advance Payments**

Airframe Model/MTOW: 787-9 [****] pounds

Engine Model/Thrust: GENX-1B74/75 [****] pounds

Airframe Price: \$[****]

Optional Features: \$[****]

Sub-Total of Airframe and Features: \$[****]

Engine Price (Per Aircraft): \$[****]

Aircraft Basic Price (Excluding BFE/SPE): \$[****]

Buyer Furnished Equipment (BFE) Estimate: \$[****]

//Seller Purchased Equipment (SPE)/In-Flight Entertainment (IFE)// Estimate: \$[****]

LIFT Seats Provided by Boeing (Estimate): \$[****]

Deposit per Aircraft: \$[****]

Detail Specification: [****]

Airframe Price Base Year/Escalation Formula: [****] [****]

Engine Price Base Year/Escalation Formula: [****] [****]

Airframe Escalation Data:

Base Year Index (ECI): [****]

Base Year Index (CPI): [****]

Engine Escalation Data:

Base Year Index (ECI): [****]

Base Year Index (CPI): [****]

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	[****] Aircraft Scheduled Delivery Quarter	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
						[****]	[****]	[****]	Total [****]
[****] 2026	1	[****]	[****]	[****] 2027	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2026	1	[****]	[****]	[****] 2027	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2026	1	[****]	[****]	[****] 2027	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2026	1	[****]	[****]	[****] 2027	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2026	1	[****]	[****]	[****] 2027	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2026	1	[****]	[****]	[****] 2027	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]

**Attachment A to
Letter Agreement No. AAL-0319-LA-1804779R2
[****] Delivery, Description, Price and Advance Payments**

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	[****] Aircraft Scheduled Delivery Quarter	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
						[****]	[****]	[****]	Total [****]
[****] 2026	1	[****]	[****]	[****] 2028	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2026	1	[****]	[****]	[****] 2028	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2026	1	[****]	[****]	[****] 2028	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2026	1	[****]	[****]	[****] 2028	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2027	1	[****]	[****]	[****] 2028	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2027	1	[****]	[****]	[****] 2028	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2027	1	[****]	[****]	[****] 2028	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2027	1	[****]	[****]	[****] 2028	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]

Total: 14

[****]

Note: [****]

**Attachment B to
Letter Agreement No. AAL-0319-LA-1804779R2
[****] Delivery, Description, Price and Advance Payments**

Airframe Model/MTOW: 787-9 [****] pounds

Engine Model/Thrust: GENX-1B74/75 [****] pounds

Airframe Price: \$[****]

Optional Features: \$[****]

Sub-Total of Airframe and Features: \$[****]

Engine Price (Per Aircraft): \$[****]

Aircraft Basic Price (Excluding BFE/SPE): \$[****]

Buyer Furnished Equipment (BFE) Estimate: \$[****]

//Seller Purchased Equipment (SPE)/In-Flight Entertainment (IFE)// Estimate: \$[****]

LIFT Seats Provided by Boeing (Estimate): \$[****]

Deposit per Aircraft: \$[****]

Detail Specification: [****]

Airframe Price Base Year/Escalation Formula: [****] [****]

Engine Price Base Year/Escalation Formula: [****] [****]

Airframe Escalation Data:

Base Year Index (ECI): [****]

Base Year Index (CPI): [****]

Engine Escalation Data:

Base Year Index (ECI): [****]

Base Year Index (CPI): [****]

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	[****] Aircraft Scheduled Delivery Quarter	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
						[****]	[****]	[****]	Total [****]
[****] 2027	1	[****]	[****]	[****] 2027	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2027	1	[****]	[****]	[****] 2027	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2027	1	[****]	[****]	[****] 2027	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2027	1	[****]	[****]	[****] 2027	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2027	1	[****]	[****]	[****] 2027	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****] 2027	1	[****]	[****]	[****] 2027	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]

**Attachment B to
Letter Agreement No. AAL-0319-LA-1804779R2
[****] Delivery, Description, Price and Advance Payments**

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	[****] Aircraft Scheduled Delivery Quarter	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
						[****]	[****]	[****]	Total [****]
[****] 2028	1	[****]	[****]	[****] 2028	[\$****]	[\$****]	[\$****]	[\$****]	[\$****]
[****] 2028	1	[****]	[****]	[****] 2028	[\$****]	[\$****]	[\$****]	[\$****]	[\$****]
[****] 2028	1	[****]	[****]	[****] 2028	[\$****]	[\$****]	[\$****]	[\$****]	[\$****]
[****] 2028	1	[****]	[****]	[****] 2028	[\$****]	[\$****]	[\$****]	[\$****]	[\$****]
[****] 2028	1	[****]	[****]	[****] 2028	[\$****]	[\$****]	[\$****]	[\$****]	[\$****]
[****] 2028	1	[****]	[****]	[****] 2028	[\$****]	[\$****]	[\$****]	[\$****]	[\$****]
[****] 2028	1	[****]	[****]	[****] 2028	[\$****]	[\$****]	[\$****]	[\$****]	[\$****]
[****] 2028	1	[****]	[****]	[****] 2028	[\$****]	[\$****]	[\$****]	[\$****]	[\$****]

Total: 14

[****]

Note: [****]t



AAL-PA-3219-LA-2101557R1

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: [****]

References: (a) Purchase Agreement No. 3219 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and American Airlines, Inc. (**Customer**) relating to Model 787 aircraft (collectively, the **Aircraft**); and

(b) Aircraft General Terms Agreement No. AGTA-AAL (**AGTA**) between Boeing and Customer dated as of October 31, 1997.

This agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement have the same meaning as in the Purchase Agreement or the AGTA, as the context requires.

As of the date of this Letter Agreement, Customer has [****] ([****]) 2018 787-9 [****] Aircraft as [****] of the Purchase Agreement ([****] **2018 787-9 [****] Aircraft**), [****] ([****]) [****] 2018 787-9 [****] Aircraft [****] ([****] **2018 787-9 [****] Aircraft**) and [****] ([****]) [****] 2018 787-8 [****] Aircraft under the Purchase Agreement.

Boeing and Customer agree as follows:

1. 787-8 [****] Aircraft.

1.1 [****] 2018 787-8 [****] Aircraft.

1.1.1 Boeing and Customer acknowledge that the [****] of [****] ([****]) [****] 2018 787-8 [****] Aircraft and [****] ([****]) [****] 2018 787-8 [****] Aircraft ([****] **2018 787-8 [****] Aircraft**) were [****] as set forth in Attachment A and [****].

1.1.2 Boeing and Customer agree that the [****] 2018 787-8 [****] Aircraft [****].

2. [****] 2018 787-8 Aircraft to [****].

2.1 Customer and Boeing agree that the [****] Aircraft set forth in Attachment B [****] from [****] aircraft [****] with the [****] as set forth in Attachment B [****]. The [****] will [****], and [****] to its applicable Scheduled Delivery Month [****] in accordance with the Purchase Agreement.



2.2 For avoidance of doubt, the [****] for the [****] includes [****] of Letter Agreement No. 6-1162-TRW-0674R4 to the Purchase Agreement entitled Business Considerations (Business Considerations LA) [****], and the [****] described in Section 2.2.1 below. The parties hereby confirm that [****] with Supplemental Agreement No. 5 and Supplemental Agreement No. 11, for the [****]. Such [****] in accordance with the Purchase Agreement.

2.2.1 Boeing and Customer agree that Boeing will provide to Customer a [****] ([****]) in the [****] of [****] ([****]). The [****] is [****] and shall be [****] is [****] by Boeing in [****] of the Supplemental Exhibit AE1-[****] as such provisions have been applied to the [****]. Except as provided in Section 2.2.1.1, below, the [****] shall be [****] by Boeing to Customer at the [****] of the [****]. The [****], in whole or in part, [****], and/or [****]. The [****] is in addition to the [****] of the Business Considerations LA.

2.2.1.1 If [****], either [****] the Purchase Agreement as to the [****] Aircraft as and [****] (as defined in Section 7.3 of the Business Considerations LA), the [****] ([****]) ([****]) [****].

2.2.1.2 If a [****] 2018 787-9 [****] Aircraft is [****] in accordance with a [****], then [****] ([****]) ([****]) for [****] 2018 787-9 [****] Aircraft [****] 2018 787-9 [****] Aircraft [****].

3. [****] Considerations.

3.1 [****].

3.1.1 [****], Boeing [****] Customer, [****], a [****] 787-9 aircraft [****] as [****] Purchase Agreement ([****] **787-9 Aircraft**). Customer [****] for (i) [****] and (ii) [****] the [****] 787-9 Aircraft.

3.1.2. [****] Customer [****] Boeing [****] ([****]) [****] 2018 787-9 [****] Aircraft, the [****] 2018 787-9 [****] Aircraft, and [****] 787-9 Aircraft [****] (or [****]) [****] this Agreement, Boeing [****] 2018 787-9 [****] Aircraft, [****] 2018 787-9 [****] Aircraft, or [****] 787-9 Aircraft [****] (or [****]) [****] of this Agreement. In the event that [****] 2018 787-9 [****] Aircraft, a [****] 2018 787-9 [****] Aircraft, and [****] 787-9 Aircraft [****] (or [****]), [****], except Customer [****].

3.1.3 Within [****] ([****]) days [****] Customer, Boeing [****] Customer, [****], [****] 787-9 Aircraft [****]. Customer [****] for (i) [****] and (ii) [****] 787-9 Aircraft.

3.2 [****]. The parties acknowledge that [****] to that [****] by and between Boeing and Customer (as amended by that certain Letter Agreement No. AAL-LA-2002714 entitled [****] for 737 Max [****]), Boeing [****] Customer [****]. Boeing [****] Customer, [****], [****].

3.3 [****]. As [****] to Section 1.3.1.3 of Letter Agreement AAL-PA-3219-LA-1604503 entitled [****], the parties agree as follows:



3.3.1 [****]. Boeing [****] Customer, [****], a [****] of twenty-two (22) 787-9 Aircraft [****].

3.3.2 [****]. [****] 787-9 Aircraft [****] Boeing under the Purchase Agreement [****] ([****]) will be [****].

3.3.3 [****]. If, [****], [****] of the 787-9 Aircraft [****] by Boeing to Customer under the Purchase Agreement, then [****] Boeing, Boeing [****] Customer, [****], [****] 787-9 Aircraft.

3.3.4 [****]. If [****], [****] 787-9 aircraft is [****] Agreement ([****]), then [****] 787-9 Aircraft, Boeing [****] Customer [****], [****]. Such [****] by Customer to Boeing [****]. [****] Customer [****] Aircraft or [****] Aircraft, Customer [****] pursuant to Section 3.3.3 above.

4. Miscellaneous.

4.1 [****] in regards to [****] 2018 787-9 [****] Aircraft.

4.1.1 [****] in regards to [****] 2018 787-9 [****] Aircraft.

4.1.1 Boeing will [****] 2018 787-8 [****] Aircraft and [****] by Customer for the [****] 2018 787-8 [****] Aircraft. The parties agree that [****], Customer [****] on the [****] 2018 787-8 [****] Aircraft that [****] of this Agreement.

4.1.2 Boeing [****] 2018 787-8 [****] Aircraft that are being [****] to [****] 2018 787-9 [****] Aircraft (the [****]). The [****] ([****]). Boeing [****] ([****]) [****] ([****] ([****]) [****] as defined in Section 1.4.1 of Letter Agreement No. 6-1162-CLO-1047R4 entitled [****]) that are [****] 2018 787-9 [****] Aircraft [****] 2018 787-9 [****] Aircraft. Boeing [****] 787-9 Aircraft ([****], the [****] 2018 787-9 [****] Aircraft and the [****] 2018 787-9 [****] Aircraft) [****] the terms of the Purchase Agreement are applicable.

5. [****] 2018 787-9 [****] Aircraft [****].

5.1 Customer has [****] ([****]) for the [****] 2018 787-8 [****] Aircraft ([****]) in which [****] ([****]) [****] ([****]) and [****]. [****], [****] the [****] 2018 787-9 [****] Aircraft into the [****].

5.2 Section 9.2 of Supplemental Agreement No. 11 (**SA-11**) (as such Section 9.2 was amended by Supplemental Agreement No. 14) is hereby deleted in its entirety and replaced with the following:

“9.2 Customer and Boeing will [****]:



9.2.1 the [****] for any [****] Aircraft [****] Customer of the applicable [****];

9.2.2 Boeing, [****] for the [****] for such [****] Aircraft; or

9.2.3 Boeing [****] 2018 787-9 [****] Aircraft [****] (as defined in Section 5.3 of Letter Agreement AAL-LA-2100511) [****] 2018 787-9 [****] Aircraft.

In the event of a [****], Boeing agrees to [****] of the applicable [****] Aircraft for the [****]. Customer shall not be [****] the applicable [****] Aircraft during such [****] and, if required, [****] to Customer the [****] 2018 787-9 [****] Aircraft [****] for the applicable [****] Aircraft, [****] Aircraft may otherwise be [****] during such [****]. For the avoidance of doubt, the [****] as defined in Section 1.13 of the Misc. Commitments LA, the [****] is otherwise subject to the terms and conditions of the AGTA and the Purchase Agreement.

If prior to the [****], Boeing and Customer are [****], Customer may, within [****] following the [****], and [****], either (i) [****] the applicable [****] Aircraft for which the [****], or (ii) [****] the Purchase Agreement [****] to (A) the applicable [****] Aircraft for which the [****], or (B) any [****] Aircraft, including the applicable [****] Aircraft for which the [****], without [****] Aircraft [****] by Customer [****] clause (ii) of this paragraph. If Customer [****] the Purchase Agreement as to [****] Aircraft under this Section 9.2, Boeing shall (x) [****] Aircraft with [****] from Customer to Boeing of the [****] to Customer by Boeing pursuant to this Section 9.2, (y) [****] from Customer all [****] related to the [****] Aircraft at the [****], by Customer, and (z) [****] Customer for all [****] of such [****] Aircraft, including, but not limited to, all [****] Aircraft that have been [****] with this Section 9.2 but are not yet [****].”

5.3 At the [****] of each [****] 2018 787-9 [****] Aircraft, for which [****] (as defined in Section 9 of SA-11), Boeing will [****] Customer a [****] ([****]) [****]. The [****] from Boeing to Customer pursuant Section 2.2.1 above.

6. Assignment.

Notwithstanding any other provision of the Purchase Agreement except for the AGTA Assignment Provisions (as defined in Section 1 of Letter Agreement AAL-LA-1106678 entitled “Assignment Matter”), the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer’s becoming the operator of the Aircraft and cannot be assigned, in whole or in part, without the prior written consent of Boeing.

7. Confidential Treatment.

Customer and Boeing understand that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. This Letter Agreement Letter shall be subject to the terms and conditions of Letter Agreement 6-1162-TRW-0673R1 entitled “Confidentiality.



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P.A. No. 3219 SA-20 L.A. AAL-PA-3219-LA-2101557R1
[****] Page 5

BOEING PROPRIETARY



EXECUTED as of August 31, 2023

THE BOEING COMPANY

By: /s/ The Boeing Company

Name: The Boeing Company

Title: Attorney-In-Fact

AMERICAN AIRLINES, INC.

By: /s/ American Airlines, Inc.

Name: American Airlines, Inc.

Title: SVP, Treasurer

Attachment A
to
AAL-PA-3219-LA-2101557R1

[****] 2018 787-8 [****] Aircraft	
[****] Scheduled Delivery Month	[****]
[****]-2020	[****]*
[****]-2020	[****]
[****]-2020	[****]
[****]-2020	[****]
[****]-2020	[****]
[****]-2020	[****]
[****]-2020	[****]
[****]-2020	[****]
[****]-2020	[****]
[****]-2020	[****]
[****]-2021	[****]
[****]-2021	[****]
[****]-2021	[****]
[****]-2021	[****]
[****]-2021	[****]

* [****]. For this aircraft, [****]-2021. The parties also agreed that for the avoidance of doubt, [****]-2021.



Attachment B
to
AAL-PA-3219-LA-2101557R1

[****] 2018 787-9[****] Aircraft **			
[****]	[****]Scheduled Delivery Month	[****]	[****]
[****]	[****]-2021	[****]	[****]
[****]	[****]-2021	[****]	[****]
[****]	[****]-2021	[****]	[****]
[****]	[****]-2021	[****]	[****]
[****]	[****]-2021	[****]	[****]

Notes:

** [****]

SA-20

BOEING PROPRIETARY



6-1162-TRW-0674R5

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: Business Considerations

Reference: Purchase Agreement No. 3219 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and American Airlines, Inc. (**Customer**) relating to Model 787 aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement have the same meaning as in the Purchase Agreement.

1. [****].

[****]:

[****] [****]
[****] [****]
[****] [****]

[****]

2. [****].

[****]

3. [****].

[****]:

[****] [****]
[****] [****]
[****] [****]

[****]

4. [****]

4a. [****]

4a.1 [****] (as defined in Section 4a.2 herein) and each [****] (as defined in Section 4a.2 herein), [****]. The [****] in accordance with the provisions of the [****]. Such [****]. Such [****]. The [****] in addition to the [****] pursuant to Section of this Letter Agreement.



4a.2 Section 4a Definitions: For purposes of this Section 4a, the following definitions shall apply:

[****] means each of the [****] at the effective date of this Letter Agreement 6-1162-TRW-0674R4.

5. [****].

[****]

6. 2018 787-9 [****] Aircraft [****].

In consideration of [****] pursuant to Letter Agreement 6-1162-TRW-0664R1, as such [****] is further described in Supplemental Agreement No. 11, Boeing [****] the 2018 787-9 [****] Aircraft [****] pursuant to the terms of this Section 6 for [****] at the time of execution of this Letter Agreement (**2018 787-9 [****] Aircraft**). Boeing will [****] at the time of delivery of each 787-9 [****] Aircraft a [****]. The [****] in accordance with the provisions of the [****] as such provisions have been applied to the [****]. Such [****] at the time of delivery of the applicable 2018 787-9 [****] Aircraft. The 2018 787-9 [****] Aircraft [****] in addition to the [****] pursuant to Section 4 of this Letter Agreement.

7. 2018 787-9 [****] Aircraft [****].

7.1 In [****] of the [****] Aircraft, Boeing [****]. Each [****] Aircraft [****] in accordance with the provisions of [****]. Except as provided in Section 7.2, below, each [****] Aircraft [****]:

[****]	[****]
[****]	[****]
[****]	[****]
[****]	[****]

Each such [****] Aircraft [****] Aircraft.

7.2 If [****] the Purchase Agreement [****] (as defined in Section 7.3 below), the applicable [****]:

- (a) the [****];
- (b) the [****];
- (c) the [****]; and
- (d) [****].
- (e) [****].



7.3 For purposes of Section 7.2, [****] means any provision in the Aircraft General Terms Agreement entered into by and between Boeing and Customer dated October 31, 1997 (as amended by the Purchase Agreement, **AGTA**), the Purchase Agreement or any Letter Agreement or Supplemental Agreement to the Purchase Agreement that [****] Aircraft, including but not limited to, the following: Sections 7.4 or 7.5 of the AGTA, Section 1.13 of the Letter Agreement No. 6-1162-TRW-0670R1 entitled "Miscellaneous Commitments for Model 787 Aircraft", or Section 9.2 and 9.3 of Supplemental Agreement No. 11 entered into by and between Boeing and Customer dated as of the date hereof.

7.4 Notwithstanding anything to the contrary in this Section 7, once a [****] Aircraft [****] in accordance with this Letter Agreement, [****] as provided in Section 7.1 of this Letter Agreement and [****] in no event will Customer [****] Aircraft [****] by Boeing or is required by this Letter Agreement to be issued to Customer.

8. [****].

In consideration of [****] pursuant to Letter Agreement 6-1162-TRW-0664R2 as further described in Supplemental Agreement No. 11, at the time of execution of this Letter Agreement, Boeing will [****].

9. **787** [****].

In consideration of Customer's [****] pursuant to Letter Agreement 6-1162-TRW-0664R2 as further described in Supplemental Agreement No. 11, Boeing will [****] the following:

9.1 At time of execution of this Letter Agreement, [****] by Customer. This [****]. [****].

9.2 At the time of execution of this Letter Agreement, Boeing will [****] Aircraft ([****] **Aircraft**): [****]. The [****]. At the delivery of each [****] Aircraft, Boeing [****]. The [****] of the applicable Aircraft in accordance with the provisions of the [****] as such provisions have been applied to the [****]. Such [****].

10. [****].

[****]



11. **Confidential Treatment.**

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential. Customer and Boeing agree that each will treat this Letter Agreement and the information contained herein as confidential and will not, without the prior written consent of the other, disclose this Letter Agreement or any information contained herein to any other person or entity, except as provided in this Letter Agreement and or the Purchase Agreement. Customer and Boeing will limit the disclosure of its contents to employees of Customer or Boeing, as applicable, with a need to know the contents for purposes of helping the applicable party perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of the other party. Subject to the terms and conditions of Letter Agreement 6-1162-TRW-0673R1 entitled "Confidentiality", either party may disclose the information contained herein without the consent of the other party when and to the extent required by any law applicable to such party or by a Governmental Authority.



Very truly yours,

THE BOEING COMPANY

By: /s/ The Boeing Company

Its: Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: August 31, 2023

AMERICAN AIRLINES, INC.

By: /s/ American Airlines, Inc.

Its: SVP, Treasurer

AMERICAN AIRLINES GROUP, INC.

SEVERANCE AGREEMENT FOR EXECUTIVES

This Severance Agreement (the “**Agreement**”) is made and entered into by and among Robert D. Isom (“**Executive**”), American Airlines Group, Inc., a Delaware corporation (“**Group**”), and American Airlines, Inc., a Delaware corporation and a wholly-owned subsidiary of Group (“**American**” and, together with Group, the “**Company**”) effective as of the latest date set forth by the signatures of the parties hereto below (the “**Effective Date**”).

RECITALS

A. The Company believes that it is imperative to provide Executive with severance benefits upon certain terminations of Executive’s service to the Company that enhance Executive’s financial security and provide incentive and encouragement to Executive to remain with the Company.

B. Unless otherwise defined herein, capitalized terms used in this Agreement are defined in Section 9 below.

The parties hereto agree as follows:

1. Term of Agreement. This Agreement shall become effective as of the Effective Date and terminate upon the date that all obligations of the parties hereto with respect to this Agreement have been satisfied.
2. At-Will Employment. The Company and Executive acknowledge that Executive’s employment is and shall continue to be “at-will,” as defined under applicable law. If Executive’s employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Agreement. Further, any termination of or changes in the terms or conditions of Executive’s employment shall not affect the covenants set forth in the Restrictive Covenants Agreement (as defined below), which shall remain in full force and effect pursuant to their terms.
3. Covered Termination. If Executive experiences a Covered Termination, and delivers to the Company a general release of all claims against the Company and its affiliates substantially in the form attached hereto as Exhibit A (a “**Release of Claims**”) that becomes effective and irrevocable within sixty (60) days, or such shorter period of time specified by the Company, following such Covered Termination (the “**Release Condition**”), and continues to comply with the requirements set forth in Section 12, then in addition to any accrued but unpaid salary, bonus, benefits, vacation and expense reimbursement payable in accordance with applicable law, the Company shall provide Executive with the following:
 - (a) Severance. Executive shall be entitled to receive a severance payment in an amount equal to the sum of (i) twenty-four (24) months of Executive’s base salary and (ii) two times Executive’s target annual bonus assuming achievement of performance goals at target, in each case, at the rate in effect immediately prior to the Termination Date (in each case, without giving effect to

any reduction in base salary that gives rise to a Covered Termination for Good Reason), less applicable withholdings. This severance payment shall be made to Executive in substantially equal installments over the twenty-four (24) months immediately following the date of the Covered Termination in accordance with the Company's normal payroll procedures with the first such installment to be made on the first payroll date following the date the Release of Claims becomes effective and irrevocable, provided, that if the Covered Termination occurs after November 1 of any year, the first such installment shall be made on the first payroll date of the subsequent year and, provided further, that, in each case, the first installment shall include any installment payments that would have been made had such installments commenced on the first payroll date after the Covered Termination.

(b) Continued Healthcare. As additional severance, Executive shall be entitled to receive a payment in an amount equal to the product of (i) twenty-four (24) multiplied by (ii) the monthly premium for continued healthcare coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") for Executive and Executive's covered dependents based on Executive's elected healthcare coverage and COBRA premium rates, in each case, in effect as of the Termination Date, payable in a lump sum, less applicable withholdings, no later than the first regular payroll date following the date the Release of Claims becomes effective and irrevocable. Executive acknowledges that Executive shall be solely responsible for all matters relating to any continuation of coverage pursuant to COBRA, including, without limitation, Executive's election of such coverage and Executive's timely payment of premiums.

(c) Equity Awards. Each outstanding and unvested equity award, including, without limitation, each restricted stock unit award, held by Executive shall remain outstanding following the Termination Date and continue to vest in accordance with its original vesting schedule during the twenty-four (24) month period immediately following the Termination Date without regard to any continued service requirements but, for any performance-based award, subject to the attainment of the performance goals applicable to such award.

(d) Travel Privileges. Executive previously vested into lifetime travel privileges that include unlimited reserved travel in any class of service for Executive and Executive's immediate family, including eligible dependent children, for personal purposes, access to Admirals Club travel lounges and 12 free round-trip passes, or 24 free one-way passes, each year for reserved travel for non-eligible family members and friends. Executive's right to travel privileges shall be subject to all applicable taxes pursuant to the Company's then existing tax policies, and the Company will not provide any tax gross-up payments to Executive for taxes payable on such travels. The amount of travel privileges used by Executive in one year will not affect the amount of travel privileges Executive is entitled to use in any other year. The right to travel privileges provided in this Agreement is not subject to liquidation, cash out, or exchange for any other taxable or nontaxable benefit.

4. Covered Termination During a Change in Control Period. If Executive experiences a Covered Termination at any time during the period commencing on a Change in Control and ending twenty-four (24) months following the Change in Control, and satisfies the Release Condition and continues to comply with the requirements set forth in Section 12, then in addition to the severance and other benefits Executive may be eligible for set forth in Section 3, each outstanding and

unvested equity award including, without limitation, each restricted stock unit award, held by Executive shall automatically become vested and, if applicable, exercisable, and any forfeiture restrictions thereon shall immediately lapse, in each case, with respect to one hundred percent (100%) of the unvested shares underlying the equity award as of the Termination Date; provided that for any performance-based equity awards held by the Executive that vest based on the attainment of performance goals that remain unsatisfied as of immediately before the Termination Date, such performance goals shall be deemed achieved at the greater of target or the expected attainment level based on performance as of the Termination Date (as determined by the Board of Directors of the Company or its Compensation Committee).

5. Certain Reductions. Notwithstanding anything herein to the contrary, the Company shall reduce Executive's severance benefits under this Agreement, in whole or in part, by any other severance benefits, pay in lieu of notice, or other similar benefits payable to Executive by the Company in connection with Executive's termination, including but not limited to payments or benefits pursuant to (a) any applicable legal requirement, including, without limitation, the Worker Adjustment and Retraining Notification Act, or (b) any other Company agreement, arrangement, policy or practice relating to Executive's termination of employment with the Company. The benefits provided under this Agreement are intended to satisfy, to the greatest extent possible, any and all statutory obligations that may arise out of Executive's termination of employment. Such reductions shall be applied on a retroactive basis, with severance benefits previously paid being recharacterized as payments pursuant to the Company's statutory obligation.

6. Deemed Resignation. Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from any and all offices and directorships then held with the Company or any of its affiliates, and, at the Company's request, Executive shall execute such documents as are necessary or desirable to effectuate such resignations.

7. Other Terminations. If Executive's service with the Company is terminated by the Company or by Executive for any or no reason other than as a Covered Termination, then Executive shall not be entitled to any benefits hereunder other than accrued but unpaid salary, bonus, vacation and expense reimbursement in accordance with applicable law, retiree travel privileges in accordance with the Company's travel policy, as amended from time to time, and to elect any continued healthcare coverage as may be required under COBRA or similar state law.

8. Limitation on Payments. Notwithstanding anything in this Agreement to the contrary, if any payment or distribution Executive would receive pursuant to this Agreement or otherwise ("**Payment**") would (a) constitute a "parachute payment" within the meaning of Section 280G of the Code and (b) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment shall either be (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the largest payment, notwithstanding that all or some portion of the Payment may be taxable under Section 4999 of the Code. The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the change in control shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such

accounting firm required to be made hereunder. The accounting firm shall provide its calculations to the Company and Executive within fifteen (15) calendar days after the date on which Executive's right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive. Any reduction in payments and/or benefits pursuant to this Section 8 will occur in the following order: (1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits payable to Executive.

9. Definition of Terms. The following terms referred to in this Agreement shall have the following meanings:

(a) **"Cause"** means (a) Executive's willful and continued failure to perform Executive's duties (other than any such failure resulting from Executive's incapacity due to physical or mental illness) after written notice of such failure has been given to Executive by the Company and Executive has had a reasonable period (but not more than fifteen (15) days) after receipt of such notice to correct such failure; (b) the unlawful or willful commission by Executive of any act that is dishonest and demonstrably injurious to the Company or any of its subsidiaries in any material respect; (c) the conviction of, or plea of guilty or *nolo contendere* to, a felony offense by Executive; (d) habitual drug or alcohol abuse that impairs Executive's ability to perform the essential duties of Executive's position or the Executive's possession or use of illegal drugs on the Company's premises; (e) embezzlement, fraud or any other illegal act against the Company or any illegal act committed in connection with Executive's performance of Executive's duties; (f) any material breach by Executive of any material Company policy (other than inadvertent actions taken in good faith), including without limitation the Company's code of conduct and those policies regarding ethics, unlawful harassment, workplace safety, or workplace discrimination; or (g) a material breach by Executive of any agreement between the Company and Executive, but only if such breach shall continue unremedied for more than fifteen (15) days after written notice thereof is given to Executive by the Company.

(b) **"Change in Control"** means a "Change in Control" as defined in the Company's 2023 Incentive Award Plan.

(c) **"Covered Termination"** means the termination of Executive's employment with the Company effected by the Company other than for Cause or Executive's resignation of employment with the Company for Good Reason. For the avoidance of doubt, a Covered Termination shall not include Executive's termination of employment due to death or disability.

(d) **"Good Reason"** means the occurrence of any of the following without Executive's written consent: (i) a material adverse alteration by the Company in Executive's base compensation, which is comprised of base salary and target cash incentive opportunity (except where such reduction to base compensation proportionately affects all similarly situated employees of the Company), position, function, duties or responsibilities; (ii) the relocation of Executive outside of the metropolitan area in which Executive is based; or (iii) a material breach by the Company of any written agreement between Executive and the Company; provided, that no resignation for Good Reason shall be effective unless and until (1) Executive has first provided the Company with written

notice specifically identifying the acts or omissions constituting the grounds for “Good Reason” within thirty (30) days after the occurrence thereof, (2) the Company has not cured such acts or omissions that are capable of cure within thirty (30) days of its actual receipt of such notice, and (3) the effective date of Executive’s termination for Good Reason occurs no later than sixty (60) days after the initial existence of the facts or circumstances constituting Good Reason.

(e) “**Termination Date**” means the date Executive experiences a Covered Termination.

10. Successors.

(a) Company’s Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company’s business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term “**Company**” shall include any successor to the Company’s business and/or assets which executes and delivers the assumption agreement described in this Section 10(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive’s Successors. The terms of this Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive’s personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

11. Notices. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or one day following mailing via Federal Express or similar overnight courier service. In the case of Executive, mailed notices shall be addressed to Executive at Executive’s home address that the Company has on file for Executive. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of the Chief Executive Officer.

12. Covenants. As a condition to entering into this Agreement, which provides eligibility to receive benefits under Sections 3 and 4 of this Agreement, Executive must agree to and comply with the requirements set forth in this Section 12. For the avoidance of doubt, the covenants set forth in this Section 12 and the Restrictive Covenants Agreement (as defined below) apply to Executive whether or not Executive receives any benefits under Sections 3 and 4 of this Agreement. Without limiting any other remedy set forth herein or in the Restrictive Covenants Agreement, in the event Executive fails to satisfy the requirements set forth in this Section 12 and the Restrictive Covenants Agreement in any material respect, the Company shall have no obligation to pay or to continue the benefits under Sections 3 and 4 of this Agreement.

(a) Restrictive Covenants. The Company (which as used in this Section 12(a) shall include the Company and any of its affiliates) operates in a highly sensitive and competitive commercial environment. As part of Executive’s employment (which as used in this Section 12(a) shall include engagement as an independent contractor or other non-employee role as well) with the Company, Executive has been and will continue to be exposed to highly confidential and sensitive information regarding the Company’s business operations, including corporate strategy, pricing, and other market information, know-how, trade secrets, and valuable customer, supplier, and employee

relationships. It is critical that the Company take all necessary steps to safeguard its legitimate protectable interests in such information and to prevent any of its competitors or any other persons from obtaining any such information. Therefore, as consideration for and ancillary to the Company's agreement to enter into this Agreement with Executive, and to protect the goodwill and other legitimate business interests of the Company, Executive shall enter into, and shall abide by, the terms and conditions of the restrictive covenants concerning confidentiality, noncompetition and nonsolicitation contained in Exhibit B attached hereto (the "**Restrictive Covenants Agreement**") between Executive and Group, which is hereby incorporated herein by reference. By entering into this Agreement, Executive acknowledges and agrees that Executive has read and understood the Restrictive Covenants Agreement and has had an opportunity to seek the advice of an attorney prior to entering into this Agreement and entering into, or agreeing to enter into, the Restrictive Covenants Agreement.

(b) Non-Disparagement. Executive agrees that Executive shall not disparage, criticize or defame the Company, its affiliates and their respective affiliates, directors, officers, agents, partners, stockholders or employees, either publicly or privately. The Company agrees that it shall not, and it shall instruct its executive officers to not, disparage, criticize or defame Executive, either publicly or privately. Nothing in this Section 12(b) shall have application to any evidence or testimony required by any court, arbitrator or government agency.

(c) Return of Documents and Property. Executive will no later than the Termination Date turn over to the Company all physical or personal property that are the property of the Company and that Executive had in Executive's possession, custody or control, including, without limitation, Executive's laptop computer, along with all other equipment and originals and copies of correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the Company's customers, business plans, marketing strategies, products, processes or business of any kind and/or which contain proprietary information or trade secrets which are in the possession or control of Executive or Executive's agents or representatives. These obligations include the return of any electronic information or data that belongs to the Company.

(d) Clawback Policy. Executive acknowledges that Executive shall remain subject to the Company's or the Group's Clawback Policy, as may be amended from time to time, to the extent provided therein or otherwise required by applicable law.

(e) Forfeiture; Repayment. If Executive materially breaches Sections 12(a)-(d) and the Company delivers written notice to Executive of such material breach within ninety (90) days after the Company's Chief Executive Officer's first acquires actual knowledge of such material breach, then Executive shall (i) forfeit any and all rights to any future payments or benefits to be made or provided under Sections 3 and 4 of this Agreement and (ii) reimburse the Company for all payments made and the value of all benefits received by Executive and Executive's dependents (if any) up to and through the date of such breach, with interest at the prime rate published by the Wall Street Journal on the date the Company sends written demand for reimbursement, compounded annually, from the date such payments or benefits were made until the date of repayment.

13. Dispute Resolution. To ensure the timely and economical resolution of disputes that arise in connection with this Agreement, Executive and the Company agree that any and all disputes, claims,

or causes of action arising from or relating to the enforcement, breach, performance or interpretation of this Agreement, Executive's employment, or the termination of Executive's employment (excluding any disputes arising under the Restrictive Covenants Agreement), shall be resolved to the fullest extent permitted by law by final, binding and confidential arbitration in Tarrant County, Texas through Judicial Arbitration & Mediation Services/Endispute ("JAMS") in conformity with the then-existing JAMS employment arbitration rules and Texas law. A link to the current JAMS employment arbitration rules follows: <https://www.jamsadr.com/rules-employment-arbitration/english>. **By agreeing to this arbitration procedure, both Executive and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The Company shall pay all JAMS's arbitration fees in excess of the amount of court fees that would be required if the dispute were decided in a court of law. Nothing in this Agreement is intended to prevent either Executive or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Notwithstanding the foregoing, Executive and the Company each have the right to resolve any issue or dispute over intellectual property rights or arising under the Restrictive Covenants Agreement by Court action instead of arbitration. The parties agree to resolve all disputes excluded from arbitration in a court of competent jurisdiction located in Texas sitting without a jury and each party waives its right to a jury trial in any such dispute.

14. Miscellaneous Provisions.

(a) Section 409A.

(i) Separation from Service. Notwithstanding any provision to the contrary in this Agreement, no amount deemed deferred compensation subject to Section 409A of the Code shall be payable pursuant to Sections 3 and 4 above unless Executive's termination of employment constitutes a "separation from service" with the Company within the meaning of Section 409A of the Code and the Department of Treasury regulations and other guidance promulgated thereunder ("**Separation from Service**") and, except as provided under Section 14(a)(ii) of this Agreement, any such amount shall not be paid, or in the case of installments, commence payment, until the sixtieth (60th) day following Executive's Separation from Service. Any installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive's Separation from Service but for the preceding sentence shall be paid to Executive on the sixtieth (60th) day following Executive's Separation from Service and the remaining payments shall be made as provided in this Agreement.

(ii) Specified Employee. Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of Executive's separation from service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (A) the expiration of the six (6)-month period measured from the date of Executive's Separation from

Service or (B) the date of Executive's death. Upon the first business day following the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 14(a)(ii) shall be paid in a lump sum to Executive, and any remaining payments due under this Agreement shall be paid as otherwise provided herein.

(iii) Expense Reimbursements. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A of the Code, any such reimbursements payable to Executive pursuant to this Agreement shall be paid to Executive no later than December 31st of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(iv) Installments. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment.

(b) Waiver. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Whole Agreement. This Agreement and the agreements and provisions incorporated in this Agreement, including, without limitation, the Restrictive Covenants Agreement and the award agreements and equity plans governing the terms of Executive's outstanding and unvested equity awards, represent the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior promises, arrangements and understandings regarding same, whether written or unwritten, or previously approved by the Board of Directors of the Company.

(d) Choice of Law. This Agreement was negotiated, entered into and is performable, in whole or in part, in Tarrant County, Texas. Therefore, the validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas.

(e) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(f) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

(Signature page follows)

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

AMERICAN AIRLINES GROUP, INC.

By: /s/ Grant B. McGee

Title: Vice President, Corporate Secretary

Date: 9/20/2023

AMERICAN AIRLINES, INC.

By: /s/ Grant B. McGee

Title: Vice President, Corporate Secretary

Date: 9/20/2023

EXECUTIVE

/s/ Robert D. Isom
Robert D. Isom

Date: 9/20/2023

[Signature Page to Severance Agreement]

EXHIBIT A

RELEASE OF CLAIMS

This Release of Claims ("**Release**") is entered into as of _____, 20__, among [_____] ("**Executive**") and American Airlines Group, Inc., a Delaware corporation ("**Group**"), and American Airlines, Inc., a Delaware corporation and a wholly-owned subsidiary of Group ("**American**" and, together with Group, the "**Company**," and, collectively with Executive, the "**Parties**"), effective eight days after Executive's signature hereto (the "**Effective Date**"), unless Executive revokes Executive's acceptance of this Release as provided in Paragraph 1(c), below.

1. Executive's Release of the Company. Executive understands that by agreeing to this Release, Executive is agreeing not to sue, or otherwise file any claim against, the Company or any of its employees or other agents for any reason whatsoever based on anything that has occurred as of the date Executive signs this Release.

(a) On behalf of Executive and Executive's heirs and assigns, Executive hereby releases and forever discharges the "Releasees" hereunder, consisting of the Company, and each of its owners, affiliates, divisions, predecessors, successors, assigns, agents, directors, officers, partners, employees, and insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which Executive now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof, including, without limiting the generality of the foregoing, any Claims arising out of, based upon, or relating to Executive's hire, employment, remuneration or resignation by the Releasees, or any of them, including Claims arising under federal, state, or local laws relating to employment, Claims of any kind that may be brought in any court or administrative agency, any Claims arising under the Age Discrimination in Employment Act ("ADEA"), 29 U.S.C. § 621, et seq.; Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; the Equal Pay Act, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 et seq. the Fair Labor Standards Act, 29 U.S.C. § 215 et seq., the Sarbanes-Oxley Act of 2002; the Texas Labor Code (specifically including the Texas Payday Law, the Texas Anti-Retaliation Act, Chapter 21 of the Texas Labor Code, and the Texas Whistleblower Act); and any and all other federal, state and local laws, statutes, executive orders, regulations municipal ordinances, common law, and any other jurisdiction worldwide; Claims for breach of contract; Claims arising in tort, including, without limitation, Claims of wrongful dismissal or discharge, discrimination, harassment, retaliation, fraud, misrepresentation, defamation, libel, infliction of emotional

distress, violation of public policy, and/or breach of the implied covenant of good faith and fair dealing; and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees.

(b) Notwithstanding the generality of the foregoing, Executive does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA;

(iv) Claims to any benefit entitlements vested as the date of Executive's employment termination, pursuant to written terms of any Company employee benefit plan;

(v) Claims for indemnification under any indemnification agreement with the Company, the Company's Bylaws, any other applicable law or the Company's directors and officers liability insurance policy; and

(vi) Executive's right to bring to the attention of the Equal Employment Opportunity Commission claims of discrimination; provided, however, that Executive does release Executive's right to secure any damages for alleged discriminatory treatment.

(c) In accordance with the Older Workers Benefit Protection Act of 1990, Executive has been advised of the following:

(i) Executive has the right to consult with an attorney before signing this Release;

(ii) Executive has been given at least twenty-one (21) days to consider this Release;

(iii) Executive has seven (7) days after signing this Release to revoke it, and Executive will not receive the severance benefits provided by that certain Severance Agreement among the Parties (the "Severance Agreement") unless and until such seven (7) day period has expired. If Executive wishes to revoke this Release, Executive must deliver notice of Executive's revocation in writing, no later than 5:00 p.m. on the 7th day following Executive's execution of this Release to [_____].

2. Executive Representations. Executive represents and warrants that:

(a) Executive has returned to the Company all Company property in Executive's possession;

(b) Executive is not owed wages, commissions, bonuses or other compensation, other than wages through the date of the termination of Executive's employment and any accrued, unused vacation earned through such date, and any payments that become due under the Severance Agreement;

(c) During the course of Executive's employment Executive did not sustain any injuries for which Executive might be entitled to compensation pursuant to worker's compensation law or Executive has disclosed any injuries of which Executive is currently, reasonably aware for which Executive might be entitled to compensation pursuant to worker's compensation law; and

(d) Executive has not initiated any adversarial proceedings of any kind against the Company or against any other person or entity released herein, nor will Executive do so in the future, except as specifically allowed by this Release.

3. Severability. The provisions of this Release are severable. If any provision is held to be invalid or unenforceable, it shall not affect the validity or enforceability of any other provision.

4. Choice of Law. This Release shall in all respects be governed and construed in accordance with the laws of the State of Texas, including all matters of construction, validity and performance, without regard to conflicts of law principles.

5. Integration Clause. This Release and the Severance Agreement contain the Parties' entire agreement with regard to the separation of Executive's employment, and supersede and replace any prior agreements as to those matters, whether oral or written. This Release may not be changed or modified, in whole or in part, except by an instrument in writing signed by Executive and a duly authorized officer or director of the Company.

6. Execution in Counterparts. This Release may be executed in counterparts with the same force and effectiveness as though executed in a single document. Facsimile signatures shall have the same force and effectiveness as original signatures.

7. Intent to be Bound. The Parties have carefully read this Release in its entirety; fully understand and agree to its terms and provisions; and intend and agree that it is final and binding on all Parties.

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have executed the foregoing on the dates shown below.

AMERICAN AIRLINES GROUP, INC.

By: _____
Title: _____
Date: _____

AMERICAN AIRLINES, INC.

By: _____
Title: _____
Date: _____

EXECUTIVE

Name: _____
Date: _____

EXHIBIT B

RESTRICTIVE COVENANTS AGREEMENT

This Restrictive Covenants Agreement (“**Restrictive Covenants Agreement**”) is entered into by and between American Airlines Group, Inc. on behalf of itself, its subsidiaries, and other affiliates (collectively referred to herein as the “**Company**”), and Robert D. Isom (“**Executive**”), as of September 20, 2023 (the “**Effective Date**”), as consideration for and ancillary to the Company’s agreement to enter into the severance agreement to which this Restrictive Covenants Agreement is attached (the “**Severance Agreement**”), and to protect the goodwill and other legitimate business interests of the Company.

1. Confidentiality. In furtherance of Executive’s job duties, the Company agrees to provide Executive with access to and use of certain of the Company’s confidential or proprietary information that the Company deems necessary and reasonable for Executive to perform Executive’s job duties, Executive agrees to safeguard the confidentiality of such information, and to not use or disclose any of the Company’s confidential or proprietary information without the Company’s written approval, except as reasonably necessary to carry out Executive’s job duties. For the avoidance of doubt, the foregoing restrictions shall not apply to information that is or becomes generally known in the public through lawful means, and not through a breach of this Restrictive Covenants Agreement or other legal or contractual obligation. In addition, Executive acknowledges that Executive continues to be bound by the confidentiality provisions contained in the Company’s Standards of Business Conduct, the terms and conditions of which are incorporated herein by reference. Nothing herein shall be deemed to limit in any way Executive’s obligations under the Company’s Standards of Business Conduct. In the event of any conflict between the terms hereof and the terms of the Company’s Standards of Business Conduct, the more restrictive terms shall prevail. For the avoidance of doubt, nothing in this Restrictive Covenants Agreement or the Company’s Standards of Business Conduct will be construed to prohibit Executive from filing a charge with, reporting possible violations to, or participating or cooperating with any governmental agency or entity, including but not limited to the EEOC, the Department of Justice, the Securities and Exchange Commission, Congress, or any agency Inspector General, or making other disclosures that are protected under the whistleblower, anti-discrimination, or anti-retaliation provisions of federal, state or local law or regulation; provided, however, that Executive may not disclose information of the Company or any of their affiliates that is protected by the attorney-client privilege, except as otherwise required by law. Executive does not need the prior authorization of the Company to make any such reports or disclosures, and Executive is not required to notify the Company that Executive has made such reports or disclosures. Executive acknowledges receipt of notice of immunity rights under the U.S. Defend Trade Secrets Act, which states: (1) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (2) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the

court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

2. Non-Competition; Non-Solicitation.

(a) Executive acknowledges that during the course of Executive's employment (which as used in this Restrictive Covenants Agreement shall include engagement as an independent contractor or other non-employee role as well) with the Company, Executive has and shall become familiar with the Company's corporate strategy, pricing and other market information, know-how, trade secrets, and valuable customer, supplier and employee relationships, and with other confidential or proprietary information concerning the Company, and that Executive's services shall be of special, unique and extraordinary value to the Company. Executive also acknowledges that the Company's business, through (A) the location of its customers and facilities and (B) the area in which its services are offered, is international in scope and extends worldwide. Accordingly, Executive agrees that, during Executive's employment with the Company and for twelve (12) months thereafter (unless some longer period is specified in any other agreement between Executive and the Company) (the "**Noncompete Period**"), Executive shall not directly or indirectly: (i) own any interest in, manage, control, or in any other manner engage in, or take significant steps to engage in, any Competing Business (as defined on Annex 1 to this Agreement), provided nothing herein shall prohibit Executive from being a passive owner of not more than two percent (2%) of the outstanding stock of any class of the stock of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation, or (ii) be employed by, consult with, or render services to any Competing Business, whether as an employee, consultant, contractor, advisor, member, director, or otherwise, in a role that is similar to any role Executive held at any time while employed by the Company, that is executive or managerial in nature, or in which Executive could reasonably be expected to use or disclose any of confidential or proprietary information of the Company, in either case (i) or (ii), in any state, country and area where the Company conducts business during Executive's employment with the Company or has material plans to conduct business as of the termination of such employment (the "**Geographic Area**").

(b) During Executive's employment with the Company and for twenty-four (24) months thereafter (the "**Non-Solicit Period**"), Executive shall not directly or indirectly through another individual, corporation, partnership, limited liability company, joint venture, estate, trust, association, unincorporated organization or other entity or group (A) solicit for employment or hire, employ or hire, or otherwise induce or attempt to induce any employee, consultant or other service provider of the Company to leave the employ or engagement of the Company, or in any way interfere with the relationship between the Company and any employee, consultant, or other service provider thereof, (B) solicit the business of or offer or provide services that are similar to the Company's services to any of the Company's customers, or (C) induce or encourage any customer, supplier, licensee, licensor or other business relation of the Company to cease doing business with the Company, or in any way interfere with the relationship between any such customer, supplier, licensee, licensor or business relation and the Company (including, without limitation, making any negative or disparaging statements or communications regarding the Company) in the Geographic Area; provided, that the foregoing shall be limited to such employees, consultants, service providers, customers, suppliers, licensees, licensors or other business relations with which Executive had business dealings or about whom or which Executive acquired information or had access to the Company's confidential information about the customer, employee, consultant, service provider, suppliers, licensee or licensor during Executive's employment with the Company.

3. Enforcement. If, at the time of enforcement of Sections 1 or 2, a court or other governing body shall hold that the limitations as to time, geographic area or scope of activity stated herein are unreasonable under circumstances then existing, Executive agrees that the maximum limitations as to time, geographic area or scope of activity that are reasonable under such circumstances shall be substituted for the stated limitations and that the court or other governing body shall reform the restrictions contained herein to cover the maximum period, scope and area permitted by law. Executive acknowledges that the restrictions contained in Sections 1 and 2 are reasonable and necessary for the protection of the Company's confidential information, goodwill and other legitimate business interests. Executive acknowledges that any breach or threatened breach of the provisions of Sections 1 or 2 would cause the Company irreparable harm. Accordingly, in addition to other rights and remedies existing in its favor, the Company shall be entitled to seek specific performance and/or injunctive or other equitable relief from a court of competent jurisdiction in order to enforce or prevent any violations of the provisions hereof (without posting a bond or other security). Further, in the event of an alleged breach or violation of Section 1 or 2 by Executive, the Noncompete Period or Non-Solicit Period, as applicable, shall be tolled until such breach or violation has been duly cured and the Noncompete Period or Non-Solicit Period, as applicable, shall be extended by the period of time during which Executive was in breach of the restrictive covenants. The parties agree that because the Company is based in Texas and this Restrictive Covenants Agreement was negotiated, entered into and is performable in whole or in part in Texas, the laws of the State of Texas shall govern this Restrictive Covenants Agreement.

4. No Restriction on Earning a Living. By Executive's entrance into the Severance Agreement and this Restrictive Covenants Agreement, Executive hereby acknowledges that the provisions of this Restrictive Covenants Agreement do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition, Executive hereby acknowledges that the potential harm to the Company of non-enforcement of this Restrictive Covenants Agreement outweighs any harm to Executive of enforcement (by injunction or otherwise) of this Restrictive Covenants Agreement against Executive.

5. Breach. If at any time before or after the date Executive's employment or other service relationship with the Company is terminated, Executive breaches any of the obligations under this Restrictive Covenants Agreement, then, in addition to all other legal and equitable remedies available to the Company, the Company may, by delivery of written notice to Executive within ninety (90) days after its actual knowledge of such breach, terminate Executive's right to receive any unpaid severance benefits and any unvested portion of any equity awards, require the repayment of any severance benefits previously paid and elect to purchase all or any portion of the Company common stock issued to Executive (to the extent not previously repurchased) upon vesting or exercise of an equity award at a price per share equal to the lower of fair market value as of the date of repurchase or the original purchase price paid by Executive. In the event Executive disposes of the shares of Company common stock acquired upon vesting or exercise of equity awards prior to the Company exercising its repurchase right pursuant to the preceding sentence, then Executive agrees to, within 10 days after receiving the Company's written notice in accordance with this Section 5, remit to the Company an amount equal to the fair market value of the shares of Company common stock so disposed, calculated as of the date Executive disposed of the shares of Company common stock. Each written notice in accordance with this Section 5 will identify the shares of Company common stock to be acquired from Executive, the repurchase price of such Company common stock and the time and place for the closing of the transaction. At the closing, the

Company shall pay the repurchase price to Executive, and Executive shall transfer the shares of Company common stock being repurchased to the Company or the fair market value of such shares of Company common stock as of the date Executive disposed of them, as applicable. Executive hereby appoints the Company as Executive's attorney-in-fact to facilitate and effect any such repurchase.

(Signature page follows)

IN WITNESS WHEREOF, the Company and Executive have executed this Restrictive Covenants Agreement as of the Effective Date above.

American Airlines Group, Inc.

By: /s/ Grant McGee

Name: Grant McGee

Title: Vice President, Corporate Secretary

EXECUTIVE

Signature: /s/ Robert Isom

Print Name: Robert Isom

[Signature Page to Restrictive Covenants Agreement]

Annex 1

to

Restrictive Covenants Agreement

Competing Business Definition

Intentionally omitted pursuant to Regulation S-K, Item 601(a)(5)

AMERICAN AIRLINES GROUP, INC.

SEVERANCE AGREEMENT FOR EXECUTIVES

This Severance Agreement (the “**Agreement**”) is made and entered into by and among Stephen L. Johnson (“**Executive**”), American Airlines Group, Inc., a Delaware corporation (“**Group**”), and American Airlines, Inc., a Delaware corporation and a wholly-owned subsidiary of Group (“**American**” and, together with Group, the “**Company**”) effective as of the latest date set forth by the signatures of the parties hereto below (the “**Effective Date**”).

RECITALS

A. The Company believes that it is imperative to provide Executive with severance benefits upon certain terminations of Executive’s service to the Company that enhance Executive’s financial security and provide incentive and encouragement to Executive to remain with the Company.

B. Unless otherwise defined herein, capitalized terms used in this Agreement are defined in Section 9 below.

The parties hereto agree as follows:

1. Term of Agreement. This Agreement shall become effective as of the Effective Date and terminate upon the date that all obligations of the parties hereto with respect to this Agreement have been satisfied.
2. At-Will Employment. The Company and Executive acknowledge that Executive’s employment is and shall continue to be “at-will,” as defined under applicable law. If Executive’s employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Agreement. Further, any termination of or changes in the terms or conditions of Executive’s employment shall not affect the covenants set forth in the Restrictive Covenants Agreement (as defined below), which shall remain in full force and effect pursuant to their terms.
3. Covered Termination. If Executive experiences a Covered Termination, and delivers to the Company a general release of all claims against the Company and its affiliates substantially in the form attached hereto as Exhibit A (a “**Release of Claims**”) that becomes effective and irrevocable within sixty (60) days, or such shorter period of time specified by the Company, following such Covered Termination (the “**Release Condition**”), and continues to comply with the requirements set forth in Section 12, then in addition to any accrued but unpaid salary, bonus, benefits, vacation and expense reimbursement payable in accordance with applicable law, the Company shall provide Executive with the following:
 - (a) Severance. Executive shall be entitled to receive a severance payment in an amount equal to the sum of (i) eighteen (18) months of Executive’s base salary and (ii) 1.5 times Executive’s target annual bonus assuming achievement of performance goals at target, in each case, at the rate in effect immediately prior to the Termination Date (in each case, without giving effect to any

reduction in base salary that gives rise to a Covered Termination for Good Reason), less applicable withholdings. This severance payment shall be made to Executive in substantially equal installments over the eighteen (18) months immediately following the date of the Covered Termination in accordance with the Company's normal payroll procedures with the first such installment to be made on the first payroll date following the date the Release of Claims becomes effective and irrevocable, provided, that if the Covered Termination occurs after November 1 of any year, the first such installment shall be made on the first payroll date of the subsequent year and, provided further, that, in each case, the first installment shall include any installment payments that would have been made had such installments commenced on the first payroll date after the Covered Termination.

(b) Continued Healthcare. As additional severance, Executive shall be entitled to receive a payment in an amount equal to the product of (i) eighteen (18) multiplied by (ii) the monthly premium for continued healthcare coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") for Executive and Executive's covered dependents based on Executive's elected healthcare coverage and COBRA premium rates, in each case, in effect as of the Termination Date, payable in a lump sum, less applicable withholdings, no later than the first regular payroll date following the date the Release of Claims becomes effective and irrevocable. Executive acknowledges that Executive shall be solely responsible for all matters relating to any continuation of coverage pursuant to COBRA, including, without limitation, Executive's election of such coverage and Executive's timely payment of premiums.

(c) Equity Awards. Each outstanding and unvested equity award, including, without limitation, each restricted stock unit award, held by Executive shall remain outstanding following the Termination Date and continue to vest in accordance with its original vesting schedule during the eighteen (18) month period immediately following the Termination Date without regard to any continued service requirements but, for any performance-based award, subject to the attainment of the performance goals applicable to such award.

(d) Travel Privileges. Executive previously vested into lifetime travel privileges that include unlimited reserved travel in any class of service for Executive and Executive's immediate family, including eligible dependent children, for personal purposes, access to Admirals Club travel lounges and 12 free round-trip passes, or 24 free one-way passes, each year for reserved travel for non-eligible family members and friends. Executive's right to travel privileges shall be subject to all applicable taxes pursuant to the Company's then existing tax policies, and the Company will not provide any tax gross-up payments to Executive for taxes payable on such travels. The amount of travel privileges used by Executive in one year will not affect the amount of travel privileges Executive is entitled to use in any other year. The right to travel privileges provided in this Agreement is not subject to liquidation, cash out, or exchange for any other taxable or nontaxable benefit.

4. Covered Termination During a Change in Control Period. If Executive experiences a Covered Termination at any time during the period commencing on a Change in Control and ending twenty-four (24) months following the Change in Control, and satisfies the Release Condition and continues to comply with the requirements set forth in Section 12, then in addition to the severance and other benefits Executive may be eligible for set forth in Section 3, each outstanding and unvested equity award including, without limitation, each restricted stock unit award, held by

Executive shall automatically become vested and, if applicable, exercisable, and any forfeiture restrictions thereon shall immediately lapse, in each case, with respect to one hundred percent (100%) of the unvested shares underlying the equity award as of the Termination Date; provided that for any performance-based equity awards held by the Executive that vest based on the attainment of performance goals that remain unsatisfied as of immediately before the Termination Date, such performance goals shall be deemed achieved at the greater of target or the expected attainment level based on performance as of the Termination Date (as determined by the Board of Directors of the Company or its Compensation Committee).

5. Certain Reductions. Notwithstanding anything herein to the contrary, the Company shall reduce Executive's severance benefits under this Agreement, in whole or in part, by any other severance benefits, pay in lieu of notice, or other similar benefits payable to Executive by the Company in connection with Executive's termination, including but not limited to payments or benefits pursuant to (a) any applicable legal requirement, including, without limitation, the Worker Adjustment and Retraining Notification Act, or (b) any other Company agreement, arrangement, policy or practice relating to Executive's termination of employment with the Company. The benefits provided under this Agreement are intended to satisfy, to the greatest extent possible, any and all statutory obligations that may arise out of Executive's termination of employment. Such reductions shall be applied on a retroactive basis, with severance benefits previously paid being recharacterized as payments pursuant to the Company's statutory obligation.

6. Deemed Resignation. Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from any and all offices and directorships then held with the Company or any of its affiliates, and, at the Company's request, Executive shall execute such documents as are necessary or desirable to effectuate such resignations.

7. Other Terminations. If Executive's service with the Company is terminated by the Company or by Executive for any or no reason other than as a Covered Termination, then Executive shall not be entitled to any benefits hereunder other than accrued but unpaid salary, bonus, vacation and expense reimbursement in accordance with applicable law, retiree travel privileges in accordance with the Company's travel policy, as amended from time to time, and to elect any continued healthcare coverage as may be required under COBRA or similar state law.

8. Limitation on Payments. Notwithstanding anything in this Agreement to the contrary, if any payment or distribution Executive would receive pursuant to this Agreement or otherwise ("**Payment**") would (a) constitute a "parachute payment" within the meaning of Section 280G of the Code and (b) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment shall either be (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the largest payment, notwithstanding that all or some portion of the Payment may be taxable under Section 4999 of the Code. The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the change in control shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The accounting firm shall provide its calculations to

the Company and Executive within fifteen (15) calendar days after the date on which Executive's right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive. Any reduction in payments and/or benefits pursuant to this Section 8 will occur in the following order: (1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits payable to Executive.

9. Definition of Terms. The following terms referred to in this Agreement shall have the following meanings:

(a) **"Cause"** means (a) Executive's willful and continued failure to perform Executive's duties (other than any such failure resulting from Executive's incapacity due to physical or mental illness) after written notice of such failure has been given to Executive by the Company and Executive has had a reasonable period (but not more than fifteen (15) days) after receipt of such notice to correct such failure; (b) the unlawful or willful commission by Executive of any act that is dishonest and demonstrably injurious to the Company or any of its subsidiaries in any material respect; (c) the conviction of, or plea of guilty or *nolo contendere* to, a felony offense by Executive; (d) habitual drug or alcohol abuse that impairs Executive's ability to perform the essential duties of Executive's position or the Executive's possession or use of illegal drugs on the Company's premises; (e) embezzlement, fraud or any other illegal act against the Company or any illegal act committed in connection with Executive's performance of Executive's duties; (f) any material breach by Executive of any material Company policy (other than inadvertent actions taken in good faith), including without limitation the Company's code of conduct and those policies regarding ethics, unlawful harassment, workplace safety, or workplace discrimination; or (g) a material breach by Executive of any agreement between the Company and Executive, but only if such breach shall continue unremedied for more than fifteen (15) days after written notice thereof is given to Executive by the Company.

(b) **"Change in Control"** means a "Change in Control" as defined in the Company's 2023 Incentive Award Plan.

(c) **"Covered Termination"** means the termination of Executive's employment with the Company effected by the Company other than for Cause or Executive's resignation of employment with the Company for Good Reason. For the avoidance of doubt, a Covered Termination shall not include Executive's termination of employment due to death or disability.

(d) **"Good Reason"** means the occurrence of any of the following without Executive's written consent: (i) a material adverse alteration by the Company in Executive's base compensation, which is comprised of base salary and target cash incentive opportunity (except where such reduction to base compensation proportionately affects all similarly situated employees of the Company), position, function, duties or responsibilities; (ii) the relocation of Executive outside of the metropolitan area in which Executive is based; or (iii) a material breach by the Company of any written agreement between Executive and the Company; provided, that no resignation for Good Reason shall be effective unless and until (1) Executive has first provided the Company with written notice specifically identifying the acts or omissions constituting the grounds for "Good Reason"

within thirty (30) days after the occurrence thereof, (2) the Company has not cured such acts or omissions that are capable of cure within thirty (30) days of its actual receipt of such notice, and (3) the effective date of Executive's termination for Good Reason occurs no later than sixty (60) days after the initial existence of the facts or circumstances constituting Good Reason.

(e) "**Termination Date**" means the date Executive experiences a Covered Termination.

10. Successors.

(a) Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "**Company**" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 10(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

11. Notices. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or one day following mailing via Federal Express or similar overnight courier service. In the case of Executive, mailed notices shall be addressed to Executive at Executive's home address that the Company has on file for Executive. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of the Chief Executive Officer.

12. Covenants. As a condition to entering into this Agreement, which provides eligibility to receive benefits under Sections 3 and 4 of this Agreement, Executive must agree to and comply with the requirements set forth in this Section 12. For the avoidance of doubt, the covenants set forth in this Section 12 and the Restrictive Covenants Agreement (as defined below) apply to Executive whether or not Executive receives any benefits under Sections 3 and 4 of this Agreement. Without limiting any other remedy set forth herein or in the Restrictive Covenants Agreement, in the event Executive fails to satisfy the requirements set forth in this Section 12 and the Restrictive Covenants Agreement in any material respect, the Company shall have no obligation to pay or to continue the benefits under Sections 3 and 4 of this Agreement.

(a) Restrictive Covenants. The Company (which as used in this Section 12(a) shall include the Company and any of its affiliates) operates in a highly sensitive and competitive commercial environment. As part of Executive's employment (which as used in this Section 12(a) shall include engagement as an independent contractor or other non-employee role as well) with the Company, Executive has been and will continue to be exposed to highly confidential and sensitive information regarding the Company's business operations, including corporate strategy, pricing, and other market information, know-how, trade secrets, and valuable customer, supplier, and employee relationships. It is critical that the Company take all necessary steps to safeguard its legitimate

protectable interests in such information and to prevent any of its competitors or any other persons from obtaining any such information. Therefore, as consideration for and ancillary to the Company's agreement to enter into this Agreement with Executive, and to protect the goodwill and other legitimate business interests of the Company, Executive shall enter into, and shall abide by, the terms and conditions of the restrictive covenants concerning confidentiality, noncompetition and nonsolicitation contained in Exhibit B attached hereto (the "**Restrictive Covenants Agreement**") between Executive and Group, which is hereby incorporated herein by reference. By entering into this Agreement, Executive acknowledges and agrees that Executive has read and understood the Restrictive Covenants Agreement and has had an opportunity to seek the advice of an attorney prior to entering into this Agreement and entering into, or agreeing to enter into, the Restrictive Covenants Agreement.

(b) Non-Disparagement. Executive agrees that Executive shall not disparage, criticize or defame the Company, its affiliates and their respective affiliates, directors, officers, agents, partners, stockholders or employees, either publicly or privately. The Company agrees that it shall not, and it shall instruct its executive officers to not, disparage, criticize or defame Executive, either publicly or privately. Nothing in this Section 12(b) shall have application to any evidence or testimony required by any court, arbitrator or government agency.

(c) Return of Documents and Property. Executive will no later than the Termination Date turn over to the Company all physical or personal property that are the property of the Company and that Executive had in Executive's possession, custody or control, including, without limitation, Executive's laptop computer, along with all other equipment and originals and copies of correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the Company's customers, business plans, marketing strategies, products, processes or business of any kind and/or which contain proprietary information or trade secrets which are in the possession or control of Executive or Executive's agents or representatives. These obligations include the return of any electronic information or data that belongs to the Company.

(d) Clawback Policy. Executive acknowledges that Executive shall remain subject to the Company's or the Group's Clawback Policy, as may be amended from time to time, to the extent provided therein or otherwise required by applicable law.

(e) Forfeiture; Repayment. If Executive materially breaches Sections 12(a)-(d) and the Company delivers written notice to Executive of such material breach within ninety (90) days after the Company's Chief Executive Officer's first acquires actual knowledge of such material breach, then Executive shall (i) forfeit any and all rights to any future payments or benefits to be made or provided under Sections 3 and 4 of this Agreement and (ii) reimburse the Company for all payments made and the value of all benefits received by Executive and Executive's dependents (if any) up to and through the date of such breach, with interest at the prime rate published by the Wall Street Journal on the date the Company sends written demand for reimbursement, compounded annually, from the date such payments or benefits were made until the date of repayment.

13. Dispute Resolution. To ensure the timely and economical resolution of disputes that arise in connection with this Agreement, Executive and the Company agree that any and all disputes, claims, or causes of action arising from or relating to the enforcement, breach, performance or interpretation

of this Agreement, Executive's employment, or the termination of Executive's employment (excluding any disputes arising under the Restrictive Covenants Agreement), shall be resolved to the fullest extent permitted by law by final, binding and confidential arbitration in Tarrant County, Texas through Judicial Arbitration & Mediation Services/Endispute ("**JAMS**") in conformity with the then-existing JAMS employment arbitration rules and Texas law. A link to the current JAMS employment arbitration rules follows: <https://www.jamsadr.com/rules-employment-arbitration/english>. **By agreeing to this arbitration procedure, both Executive and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The Company shall pay all JAMS's arbitration fees in excess of the amount of court fees that would be required if the dispute were decided in a court of law. Nothing in this Agreement is intended to prevent either Executive or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Notwithstanding the foregoing, Executive and the Company each have the right to resolve any issue or dispute over intellectual property rights or arising under the Restrictive Covenants Agreement by Court action instead of arbitration. The parties agree to resolve all disputes excluded from arbitration in a court of competent jurisdiction located in Texas sitting without a jury and each party waives its right to a jury trial in any such dispute.

14. Miscellaneous Provisions.

(a) Section 409A.

(i) Separation from Service. Notwithstanding any provision to the contrary in this Agreement, no amount deemed deferred compensation subject to Section 409A of the Code shall be payable pursuant to Sections 3 and 4 above unless Executive's termination of employment constitutes a "separation from service" with the Company within the meaning of Section 409A of the Code and the Department of Treasury regulations and other guidance promulgated thereunder ("**Separation from Service**") and, except as provided under Section 14(a)(ii) of this Agreement, any such amount shall not be paid, or in the case of installments, commence payment, until the sixtieth (60th) day following Executive's Separation from Service. Any installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive's Separation from Service but for the preceding sentence shall be paid to Executive on the sixtieth (60th) day following Executive's Separation from Service and the remaining payments shall be made as provided in this Agreement.

(ii) Specified Employee. Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of Executive's separation from service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (A) the expiration of the six (6)-month period measured from the date of Executive's Separation from Service or (B) the date of Executive's death. Upon the first business day following the expiration of

the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 14(a)(ii) shall be paid in a lump sum to Executive, and any remaining payments due under this Agreement shall be paid as otherwise provided herein.

(iii) Expense Reimbursements. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A of the Code, any such reimbursements payable to Executive pursuant to this Agreement shall be paid to Executive no later than December 31st of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(iv) Installments. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment.

(b) Waiver. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Whole Agreement. This Agreement and the agreements and provisions incorporated in this Agreement, including, without limitation, the Restrictive Covenants Agreement and the award agreements and equity plans governing the terms of Executive's outstanding and unvested equity awards, represent the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior promises, arrangements and understandings regarding same, whether written or unwritten, or previously approved by the Board of Directors of the Company.

(d) Choice of Law. This Agreement was negotiated, entered into and is performable, in whole or in part, in Tarrant County, Texas. Therefore, the validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas.

(e) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(f) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

(Signature page follows)

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

AMERICAN AIRLINES GROUP, INC.

By: /s/ Grant B. McGee

Title: Vice President, Corporate Secretary

Date: 9/20/23

AMERICAN AIRLINES, INC.

By: /s/ Grant B. McGee

Title: Vice President, Corporate Secretary

Date: 9/20/23

EXECUTIVE

/s/ Stephen L. Johnson
Stephen L. Johnson

Date: 9/20/23

[Signature Page to Severance Agreement]

EXHIBIT A

RELEASE OF CLAIMS

This Release of Claims ("**Release**") is entered into as of _____, 20__, among [_____] ("**Executive**") and American Airlines Group, Inc., a Delaware corporation ("**Group**"), and American Airlines, Inc., a Delaware corporation and a wholly-owned subsidiary of Group ("**American**" and, together with Group, the "**Company**," and, collectively with Executive, the "**Parties**"), effective eight days after Executive's signature hereto (the "**Effective Date**"), unless Executive revokes Executive's acceptance of this Release as provided in Paragraph 1(c), below.

1. Executive's Release of the Company. Executive understands that by agreeing to this Release, Executive is agreeing not to sue, or otherwise file any claim against, the Company or any of its employees or other agents for any reason whatsoever based on anything that has occurred as of the date Executive signs this Release.

(a) On behalf of Executive and Executive's heirs and assigns, Executive hereby releases and forever discharges the "Releasees" hereunder, consisting of the Company, and each of its owners, affiliates, divisions, predecessors, successors, assigns, agents, directors, officers, partners, employees, and insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which Executive now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof, including, without limiting the generality of the foregoing, any Claims arising out of, based upon, or relating to Executive's hire, employment, remuneration or resignation by the Releasees, or any of them, including Claims arising under federal, state, or local laws relating to employment, Claims of any kind that may be brought in any court or administrative agency, any Claims arising under the Age Discrimination in Employment Act ("ADEA"), 29 U.S.C. § 621, et seq.; Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; the Equal Pay Act, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 et seq. the Fair Labor Standards Act, 29 U.S.C. § 215 et seq., the Sarbanes-Oxley Act of 2002; the Texas Labor Code (specifically including the Texas Payday Law, the Texas Anti-Retaliation Act, Chapter 21 of the Texas Labor Code, and the Texas Whistleblower Act); and any and all other federal, state and local laws, statutes, executive orders, regulations municipal ordinances, common law, and any other jurisdiction worldwide; Claims for breach of contract; Claims arising in tort, including, without limitation, Claims of wrongful dismissal or discharge, discrimination,

harassment, retaliation, fraud, misrepresentation, defamation, libel, infliction of emotional distress, violation of public policy, and/or breach of the implied covenant of good faith and fair dealing; and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees.

(b) Notwithstanding the generality of the foregoing, Executive does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA;

(iv) Claims to any benefit entitlements vested as the date of Executive's employment termination, pursuant to written terms of any Company employee benefit plan;

(v) Claims for indemnification under any indemnification agreement with the Company, the Company's Bylaws, any other applicable law or the Company's directors and officers liability insurance policy; and

(vi) Executive's right to bring to the attention of the Equal Employment Opportunity Commission claims of discrimination; provided, however, that Executive does release Executive's right to secure any damages for alleged discriminatory treatment.

(c) In accordance with the Older Workers Benefit Protection Act of 1990, Executive has been advised of the following:

(i) Executive has the right to consult with an attorney before signing this Release;

(ii) Executive has been given at least twenty-one (21) days to consider this Release;

(iii) Executive has seven (7) days after signing this Release to revoke it, and Executive will not receive the severance benefits provided by that certain Severance Agreement among the Parties (the "Severance Agreement") unless and until such seven (7) day period has expired. If Executive wishes to revoke this Release, Executive must deliver notice of Executive's revocation in writing, no later

than 5:00 p.m. on the 7th day following Executive's execution of this Release to [_____].

2. Executive Representations. Executive represents and warrants that:

(a) Executive has returned to the Company all Company property in Executive's possession;

(b) Executive is not owed wages, commissions, bonuses or other compensation, other than wages through the date of the termination of Executive's employment and any accrued, unused vacation earned through such date, and any payments that become due under the Severance Agreement;

(c) During the course of Executive's employment Executive did not sustain any injuries for which Executive might be entitled to compensation pursuant to worker's compensation law or Executive has disclosed any injuries of which Executive is currently, reasonably aware for which Executive might be entitled to compensation pursuant to worker's compensation law; and

(d) Executive has not initiated any adversarial proceedings of any kind against the Company or against any other person or entity released herein, nor will Executive do so in the future, except as specifically allowed by this Release.

3. Severability. The provisions of this Release are severable. If any provision is held to be invalid or unenforceable, it shall not affect the validity or enforceability of any other provision.

4. Choice of Law. This Release shall in all respects be governed and construed in accordance with the laws of the State of Texas, including all matters of construction, validity and performance, without regard to conflicts of law principles.

5. Integration Clause. This Release and the Severance Agreement contain the Parties' entire agreement with regard to the separation of Executive's employment, and supersede and replace any prior agreements as to those matters, whether oral or written. This Release may not be changed or modified, in whole or in part, except by an instrument in writing signed by Executive and a duly authorized officer or director of the Company.

6. Execution in Counterparts. This Release may be executed in counterparts with the same force and effectiveness as though executed in a single document. Facsimile signatures shall have the same force and effectiveness as original signatures.

7. Intent to be Bound. The Parties have carefully read this Release in its entirety; fully understand and agree to its terms and provisions; and intend and agree that it is final and binding on all Parties.

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have executed the foregoing on the dates shown below.

AMERICAN AIRLINES GROUP, INC.

By: _____
Title: _____
Date: _____

AMERICAN AIRLINES, INC.

By: _____
Title: _____
Date: _____

EXECUTIVE

Name: _____
Date: _____

EXHIBIT B

RESTRICTIVE COVENANTS AGREEMENT

This Restrictive Covenants Agreement (“**Restrictive Covenants Agreement**”) is entered into by and between American Airlines Group, Inc. on behalf of itself, its subsidiaries, and other affiliates (collectively referred to herein as the “**Company**”), and Stephen L. Johnson (“**Executive**”), as of September 20, 2023 (the “**Effective Date**”), as consideration for and ancillary to the Company’s agreement to enter into the severance agreement to which this Restrictive Covenants Agreement is attached (the “**Severance Agreement**”), and to protect the goodwill and other legitimate business interests of the Company.

1. **Confidentiality.** In furtherance of Executive’s job duties, the Company agrees to provide Executive with access to and use of certain of the Company’s confidential or proprietary information that the Company deems necessary and reasonable for Executive to perform Executive’s job duties, Executive agrees to safeguard the confidentiality of such information, and to not use or disclose any of the Company’s confidential or proprietary information without the Company’s written approval, except as reasonably necessary to carry out Executive’s job duties. For the avoidance of doubt, the foregoing restrictions shall not apply to information that is or becomes generally known in the public through lawful means, and not through a breach of this Restrictive Covenants Agreement or other legal or contractual obligation. In addition, Executive acknowledges that Executive continues to be bound by the confidentiality provisions contained in the Company’s Standards of Business Conduct, the terms and conditions of which are incorporated herein by reference. Nothing herein shall be deemed to limit in any way Executive’s obligations under the Company’s Standards of Business Conduct. In the event of any conflict between the terms hereof and the terms of the Company’s Standards of Business Conduct, the more restrictive terms shall prevail. For the avoidance of doubt, nothing in this Restrictive Covenants Agreement or the Company’s Standards of Business Conduct will be construed to prohibit Executive from filing a charge with, reporting possible violations to, or participating or cooperating with any governmental agency or entity, including but not limited to the EEOC, the Department of Justice, the Securities and Exchange Commission, Congress, or any agency Inspector General, or making other disclosures that are protected under the whistleblower, anti-discrimination, or anti-retaliation provisions of federal, state or local law or regulation; provided, however, that Executive may not disclose information of the Company or any of their affiliates that is protected by the attorney-client privilege, except as otherwise required by law. Executive does not need the prior authorization of the Company to make any such reports or disclosures, and Executive is not required to notify the Company that Executive has made such reports or disclosures. Executive acknowledges receipt of notice of immunity rights under the U.S. Defend Trade Secrets Act, which states: (1) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (2) an individual who

files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

2. Non-Competition; Non-Solicitation.

(a) Executive acknowledges that during the course of Executive's employment (which as used in this Restrictive Covenants Agreement shall include engagement as an independent contractor or other non-employee role as well) with the Company, Executive has and shall become familiar with the Company's corporate strategy, pricing and other market information, know-how, trade secrets, and valuable customer, supplier and employee relationships, and with other confidential or proprietary information concerning the Company, and that Executive's services shall be of special, unique and extraordinary value to the Company. Executive also acknowledges that the Company's business, through (A) the location of its customers and facilities and (B) the area in which its services are offered, is international in scope and extends worldwide. Accordingly, Executive agrees that, during Executive's employment with the Company and for twelve (12) months thereafter (unless some longer period is specified in any other agreement between Executive and the Company) (the "**Noncompete Period**"), Executive shall not directly or indirectly: (i) own any interest in, manage, control, or in any other manner engage in, or take significant steps to engage in, any Competing Business (as defined on Annex 1 to this Agreement), provided nothing herein shall prohibit Executive from being a passive owner of not more than two percent (2%) of the outstanding stock of any class of the stock of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation, or (ii) be employed by, consult with, or render services to any Competing Business, whether as an employee, consultant, contractor, advisor, member, director, or otherwise, in a role that is similar to any role Executive held at any time while employed by the Company, that is executive or managerial in nature, or in which Executive could reasonably be expected to use or disclose any of confidential or proprietary information of the Company, in either case (i) or (ii), in any state, country and area where the Company conducts business during Executive's employment with the Company or has material plans to conduct business as of the termination of such employment (the "**Geographic Area**").

(b) During Executive's employment with the Company and for twenty-four (24) months thereafter (the "**Non-Solicit Period**"), Executive shall not directly or indirectly through another individual, corporation, partnership, limited liability company, joint venture, estate, trust, association, unincorporated organization or other entity or group (A) solicit for employment or hire, employ or hire, or otherwise induce or attempt to induce any employee, consultant or other service provider of the Company to leave the employ or engagement of the Company, or in any way interfere with the relationship between the Company and any employee, consultant, or other service provider thereof, (B) solicit the business of or offer or provide services that are similar to the Company's services to any of the Company's customers, or (C) induce or encourage any customer, supplier, licensee, licensor or other business relation of the Company to cease doing business with the Company, or in any way interfere with the relationship between any such customer, supplier, licensee, licensor or business relation and the Company (including, without limitation, making any

negative or disparaging statements or communications regarding the Company) in the Geographic Area; provided, that the foregoing shall be limited to such employees, consultants, service providers, customers, suppliers, licensees, licensors or other business relations with which Executive had business dealings or about whom or which Executive acquired information or had access to the Company's confidential information about the customer, employee, consultant, service provider, suppliers, licensee or licensor during Executive's employment with the Company.

3. Enforcement. If, at the time of enforcement of Sections 1 or 2, a court or other governing body shall hold that the limitations as to time, geographic area or scope of activity stated herein are unreasonable under circumstances then existing, Executive agrees that the maximum limitations as to time, geographic area or scope of activity that are reasonable under such circumstances shall be substituted for the stated limitations and that the court or other governing body shall reform the restrictions contained herein to cover the maximum period, scope and area permitted by law. Executive acknowledges that the restrictions contained in Sections 1 and 2 are reasonable and necessary for the protection of the Company's confidential information, goodwill and other legitimate business interests. Executive acknowledges that any breach or threatened breach of the provisions of Sections 1 or 2 would cause the Company irreparable harm. Accordingly, in addition to other rights and remedies existing in its favor, the Company shall be entitled to seek specific performance and/or injunctive or other equitable relief from a court of competent jurisdiction in order to enforce or prevent any violations of the provisions hereof (without posting a bond or other security). Further, in the event of an alleged breach or violation of Section 1 or 2 by Executive, the Noncompete Period or Non-Solicit Period, as applicable, shall be tolled until such breach or violation has been duly cured and the Noncompete Period or Non-Solicit Period, as applicable, shall be extended by the period of time during which Executive was in breach of the restrictive covenants. The parties agree that because the Company is based in Texas and this Restrictive Covenants Agreement was negotiated, entered into and is performable in whole or in part in Texas, the laws of the State of Texas shall govern this Restrictive Covenants Agreement.

4. No Restriction on Earning a Living. By Executive's entrance into the Severance Agreement and this Restrictive Covenants Agreement, Executive hereby acknowledges that the provisions of this Restrictive Covenants Agreement do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition, Executive hereby acknowledges that the potential harm to the Company of non-enforcement of this Restrictive Covenants Agreement outweighs any harm to Executive of enforcement (by injunction or otherwise) of this Restrictive Covenants Agreement against Executive.

5. Breach. If at any time before or after the date Executive's employment or other service relationship with the Company is terminated, Executive breaches any of the obligations under this Restrictive Covenants Agreement, then, in addition to all other legal and equitable remedies available to the Company, the Company may, by delivery of written notice to Executive within ninety (90) days after its actual knowledge of such breach, terminate Executive's right to receive any unpaid severance benefits and any unvested portion of any equity awards, require the repayment of any severance benefits previously paid and elect to purchase all or any portion of the

Company common stock issued to Executive (to the extent not previously repurchased) upon vesting or exercise of an equity award at a price per share equal to the lower of fair market value as of the date of repurchase or the original purchase price paid by Executive. In the event Executive disposes of the shares of Company common stock acquired upon vesting or exercise of equity awards prior to the Company exercising its repurchase right pursuant to the preceding sentence, then Executive agrees to, within 10 days after receiving the Company's written notice in accordance with this Section 5, remit to the Company an amount equal to the fair market value of the shares of Company common stock so disposed, calculated as of the date Executive disposed of the shares of Company common stock. Each written notice in accordance with this Section 5 will identify the shares of Company common stock to be acquired from Executive, the repurchase price of such Company common stock and the time and place for the closing of the transaction. At the closing, the Company shall pay the repurchase price to Executive, and Executive shall transfer the shares of Company common stock being repurchased to the Company or the fair market value of such shares of Company common stock as of the date Executive disposed of them, as applicable. Executive hereby appoints the Company as Executive's attorney-in-fact to facilitate and effect any such repurchase.

(Signature page follows)

IN WITNESS WHEREOF, the Company and Executive have executed this Restrictive Covenants Agreement as of the Effective Date above.

American Airlines Group, Inc.
By: /s/ Grant McGee
Name: Grant McGee
Title: Vice President, Corporate Secretary

EXECUTIVE

Signature: /s/ Stephen L. Johnson

Print Name: Stephen L. Johnson _____

[Signature Page to Restrictive Covenants Agreement]

Annex 1

to

Restrictive Covenants Agreement

Competing Business Definition

Intentionally omitted pursuant to Regulation S-K, Item 601(a)(5)

AMERICAN AIRLINES GROUP, INC.

SEVERANCE AGREEMENT FOR EXECUTIVES

This Severance Agreement (the “**Agreement**”) is made and entered into by and among David G. Seymour (“**Executive**”), American Airlines Group, Inc., a Delaware corporation (“**Group**”), and American Airlines, Inc., a Delaware corporation and a wholly-owned subsidiary of Group (“**American**” and, together with Group, the “**Company**”) effective as of the latest date set forth by the signatures of the parties hereto below (the “**Effective Date**”).

RECITALS

A. The Company believes that it is imperative to provide Executive with severance benefits upon certain terminations of Executive’s service to the Company that enhance Executive’s financial security and provide incentive and encouragement to Executive to remain with the Company.

B. Unless otherwise defined herein, capitalized terms used in this Agreement are defined in Section 9 below.

The parties hereto agree as follows:

1. Term of Agreement. This Agreement shall become effective as of the Effective Date and terminate upon the date that all obligations of the parties hereto with respect to this Agreement have been satisfied.
2. At-Will Employment. The Company and Executive acknowledge that Executive’s employment is and shall continue to be “at-will,” as defined under applicable law. If Executive’s employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Agreement. Further, any termination of or changes in the terms or conditions of Executive’s employment shall not affect the covenants set forth in the Restrictive Covenants Agreement (as defined below), which shall remain in full force and effect pursuant to their terms.
3. Covered Termination. If Executive experiences a Covered Termination, and delivers to the Company a general release of all claims against the Company and its affiliates substantially in the form attached hereto as Exhibit A (a “**Release of Claims**”) that becomes effective and irrevocable within sixty (60) days, or such shorter period of time specified by the Company, following such Covered Termination (the “**Release Condition**”), and continues to comply with the requirements set forth in Section 12, then in addition to any accrued but unpaid salary, bonus, benefits, vacation and expense reimbursement payable in accordance with applicable law, the Company shall provide Executive with the following:
 - (a) Severance. Executive shall be entitled to receive a severance payment in an amount equal to the sum of (i) eighteen (18) months of Executive’s base salary and (ii) 1.5 times Executive’s

target annual bonus assuming achievement of performance goals at target, in each case, at the rate in effect immediately prior to the Termination Date (in each case, without giving effect to any reduction in base salary that gives rise to a Covered Termination for Good Reason), less applicable withholdings. This severance payment shall be made to Executive in substantially equal installments over the eighteen (18) months immediately following the date of the Covered Termination in accordance with the Company's normal payroll procedures with the first such installment to be made on the first payroll date following the date the Release of Claims becomes effective and irrevocable, provided, that if the Covered Termination occurs after November 1 of any year, the first such installment shall be made on the first payroll date of the subsequent year and, provided further, that, in each case, the first installment shall include any installment payments that would have been made had such installments commenced on the first payroll date after the Covered Termination.

(b) Continued Healthcare. As additional severance, Executive shall be entitled to receive a payment in an amount equal to the product of (i) eighteen (18) multiplied by (ii) the monthly premium for continued healthcare coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") for Executive and Executive's covered dependents based on Executive's elected healthcare coverage and COBRA premium rates, in each case, in effect as of the Termination Date, payable in a lump sum, less applicable withholdings, no later than the first regular payroll date following the date the Release of Claims becomes effective and irrevocable. Executive acknowledges that Executive shall be solely responsible for all matters relating to any continuation of coverage pursuant to COBRA, including, without limitation, Executive's election of such coverage and Executive's timely payment of premiums.

(c) Equity Awards. Each outstanding and unvested equity award, including, without limitation, each restricted stock unit award, held by Executive shall remain outstanding following the Termination Date and continue to vest in accordance with its original vesting schedule during the eighteen (18) month period immediately following the Termination Date without regard to any continued service requirements but, for any performance-based award, subject to the attainment of the performance goals applicable to such award.

(d) Travel Privileges. Executive previously vested into lifetime travel privileges that include unlimited reserved travel in any class of service for Executive and Executive's immediate family, including eligible dependent children, for personal purposes, access to Admirals Club travel lounges and 12 free round-trip passes, or 24 free one-way passes, each year for reserved travel for non-eligible family members and friends. Executive's right to travel privileges shall be subject to all applicable taxes pursuant to the Company's then existing tax policies, and the Company will not provide any tax gross-up payments to Executive for taxes payable on such travels. The amount of travel privileges used by Executive in one year will not affect the amount of travel privileges Executive is entitled to use in any other year. The right to travel privileges provided in this Agreement is not subject to liquidation, cash out, or exchange for any other taxable or nontaxable benefit.

4. Covered Termination During a Change in Control Period. If Executive experiences a Covered Termination at any time during the period commencing on a Change in Control and ending twenty-four (24) months following the Change in Control, and satisfies the Release Condition and continues to comply with the requirements set forth in Section 12, then in addition to the severance and other benefits Executive may be eligible for set forth in Section 3, each outstanding and

unvested equity award including, without limitation, each restricted stock unit award, held by Executive shall automatically become vested and, if applicable, exercisable, and any forfeiture restrictions thereon shall immediately lapse, in each case, with respect to one hundred percent (100%) of the unvested shares underlying the equity award as of the Termination Date; provided that for any performance-based equity awards held by the Executive that vest based on the attainment of performance goals that remain unsatisfied as of immediately before the Termination Date, such performance goals shall be deemed achieved at the greater of target or the expected attainment level based on performance as of the Termination Date (as determined by the Board of Directors of the Company or its Compensation Committee).

5. Certain Reductions. Notwithstanding anything herein to the contrary, the Company shall reduce Executive's severance benefits under this Agreement, in whole or in part, by any other severance benefits, pay in lieu of notice, or other similar benefits payable to Executive by the Company in connection with Executive's termination, including but not limited to payments or benefits pursuant to (a) any applicable legal requirement, including, without limitation, the Worker Adjustment and Retraining Notification Act, or (b) any other Company agreement, arrangement, policy or practice relating to Executive's termination of employment with the Company. The benefits provided under this Agreement are intended to satisfy, to the greatest extent possible, any and all statutory obligations that may arise out of Executive's termination of employment. Such reductions shall be applied on a retroactive basis, with severance benefits previously paid being recharacterized as payments pursuant to the Company's statutory obligation.

6. Deemed Resignation. Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from any and all offices and directorships then held with the Company or any of its affiliates, and, at the Company's request, Executive shall execute such documents as are necessary or desirable to effectuate such resignations.

7. Other Terminations. If Executive's service with the Company is terminated by the Company or by Executive for any or no reason other than as a Covered Termination, then Executive shall not be entitled to any benefits hereunder other than accrued but unpaid salary, bonus, vacation and expense reimbursement in accordance with applicable law, retiree travel privileges in accordance with the Company's travel policy, as amended from time to time, and to elect any continued healthcare coverage as may be required under COBRA or similar state law.

8. Limitation on Payments. Notwithstanding anything in this Agreement to the contrary, if any payment or distribution Executive would receive pursuant to this Agreement or otherwise ("**Payment**") would (a) constitute a "parachute payment" within the meaning of Section 280G of the Code and (b) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment shall either be (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the largest payment, notwithstanding that all or some portion of the Payment may be taxable under Section 4999 of the Code. The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the change in control shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The accounting firm shall provide its calculations to

the Company and Executive within fifteen (15) calendar days after the date on which Executive's right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive. Any reduction in payments and/or benefits pursuant to this Section 8 will occur in the following order: (1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits payable to Executive.

9. Definition of Terms. The following terms referred to in this Agreement shall have the following meanings:

(a) **"Cause"** means (a) Executive's willful and continued failure to perform Executive's duties (other than any such failure resulting from Executive's incapacity due to physical or mental illness) after written notice of such failure has been given to Executive by the Company and Executive has had a reasonable period (but not more than fifteen (15) days) after receipt of such notice to correct such failure; (b) the unlawful or willful commission by Executive of any act that is dishonest and demonstrably injurious to the Company or any of its subsidiaries in any material respect; (c) the conviction of, or plea of guilty or *nolo contendere* to, a felony offense by Executive; (d) habitual drug or alcohol abuse that impairs Executive's ability to perform the essential duties of Executive's position or the Executive's possession or use of illegal drugs on the Company's premises; (e) embezzlement, fraud or any other illegal act against the Company or any illegal act committed in connection with Executive's performance of Executive's duties; (f) any material breach by Executive of any material Company policy (other than inadvertent actions taken in good faith), including without limitation the Company's code of conduct and those policies regarding ethics, unlawful harassment, workplace safety, or workplace discrimination; or (g) a material breach by Executive of any agreement between the Company and Executive, but only if such breach shall continue unremedied for more than fifteen (15) days after written notice thereof is given to Executive by the Company.

(b) **"Change in Control"** means a "Change in Control" as defined in the Company's 2023 Incentive Award Plan.

(c) **"Covered Termination"** means the termination of Executive's employment with the Company effected by the Company other than for Cause or Executive's resignation of employment with the Company for Good Reason. For the avoidance of doubt, a Covered Termination shall not include Executive's termination of employment due to death or disability.

(d) **"Good Reason"** means the occurrence of any of the following without Executive's written consent: (i) a material adverse alteration by the Company in Executive's base compensation, which is comprised of base salary and target cash incentive opportunity (except where such reduction to base compensation proportionately affects all similarly situated employees of the Company), position, function, duties or responsibilities; (ii) the relocation of Executive outside of the metropolitan area in which Executive is based; or (iii) a material breach by the Company of any written agreement between Executive and the Company; provided, that no resignation for Good Reason shall be effective unless and until (1) Executive has first provided the Company with written notice specifically identifying the acts or omissions constituting the grounds for "Good Reason"

within thirty (30) days after the occurrence thereof, (2) the Company has not cured such acts or omissions that are capable of cure within thirty (30) days of its actual receipt of such notice, and (3) the effective date of Executive's termination for Good Reason occurs no later than sixty (60) days after the initial existence of the facts or circumstances constituting Good Reason.

(e) "**Termination Date**" means the date Executive experiences a Covered Termination.

10. Successors.

(a) Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "**Company**" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 10(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

11. Notices. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or one day following mailing via Federal Express or similar overnight courier service. In the case of Executive, mailed notices shall be addressed to Executive at Executive's home address that the Company has on file for Executive. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of the Chief Executive Officer.

12. Covenants. As a condition to entering into this Agreement, which provides eligibility to receive benefits under Sections 3 and 4 of this Agreement, Executive must agree to and comply with the requirements set forth in this Section 12. For the avoidance of doubt, the covenants set forth in this Section 12 and the Restrictive Covenants Agreement (as defined below) apply to Executive whether or not Executive receives any benefits under Sections 3 and 4 of this Agreement. Without limiting any other remedy set forth herein or in the Restrictive Covenants Agreement, in the event Executive fails to satisfy the requirements set forth in this Section 12 and the Restrictive Covenants Agreement in any material respect, the Company shall have no obligation to pay or to continue the benefits under Sections 3 and 4 of this Agreement.

(a) Restrictive Covenants. The Company (which as used in this Section 12(a) shall include the Company and any of its affiliates) operates in a highly sensitive and competitive commercial environment. As part of Executive's employment (which as used in this Section 12(a) shall include engagement as an independent contractor or other non-employee role as well) with the Company, Executive has been and will continue to be exposed to highly confidential and sensitive information regarding the Company's business operations, including corporate strategy, pricing, and other market information, know-how, trade secrets, and valuable customer, supplier, and employee relationships. It is critical that the Company take all necessary steps to safeguard its legitimate protectable interests in such information and to prevent any of its competitors or any other persons

from obtaining any such information. Therefore, as consideration for and ancillary to the Company's agreement to enter into this Agreement with Executive, and to protect the goodwill and other legitimate business interests of the Company, Executive shall enter into, and shall abide by, the terms and conditions of the restrictive covenants concerning confidentiality, noncompetition and nonsolicitation contained in Exhibit B attached hereto (the "**Restrictive Covenants Agreement**") between Executive and Group, which is hereby incorporated herein by reference. By entering into this Agreement, Executive acknowledges and agrees that Executive has read and understood the Restrictive Covenants Agreement and has had an opportunity to seek the advice of an attorney prior to entering into this Agreement and entering into, or agreeing to enter into, the Restrictive Covenants Agreement.

(b) Non-Disparagement. Executive agrees that Executive shall not disparage, criticize or defame the Company, its affiliates and their respective affiliates, directors, officers, agents, partners, stockholders or employees, either publicly or privately. The Company agrees that it shall not, and it shall instruct its executive officers to not, disparage, criticize or defame Executive, either publicly or privately. Nothing in this Section 12(b) shall have application to any evidence or testimony required by any court, arbitrator or government agency.

(c) Return of Documents and Property. Executive will no later than the Termination Date turn over to the Company all physical or personal property that are the property of the Company and that Executive had in Executive's possession, custody or control, including, without limitation, Executive's laptop computer, along with all other equipment and originals and copies of correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the Company's customers, business plans, marketing strategies, products, processes or business of any kind and/or which contain proprietary information or trade secrets which are in the possession or control of Executive or Executive's agents or representatives. These obligations include the return of any electronic information or data that belongs to the Company.

(d) Clawback Policy. Executive acknowledges that Executive shall remain subject to the Company's or the Group's Clawback Policy, as may be amended from time to time, to the extent provided therein or otherwise required by applicable law.

(e) Forfeiture; Repayment. If Executive materially breaches Sections 12(a)-(d) and the Company delivers written notice to Executive of such material breach within ninety (90) days after the Company's Chief Executive Officer's first acquires actual knowledge of such material breach, then Executive shall (i) forfeit any and all rights to any future payments or benefits to be made or provided under Sections 3 and 4 of this Agreement and (ii) reimburse the Company for all payments made and the value of all benefits received by Executive and Executive's dependents (if any) up to and through the date of such breach, with interest at the prime rate published by the Wall Street Journal on the date the Company sends written demand for reimbursement, compounded annually, from the date such payments or benefits were made until the date of repayment.

13. Dispute Resolution. To ensure the timely and economical resolution of disputes that arise in connection with this Agreement, Executive and the Company agree that any and all disputes, claims, or causes of action arising from or relating to the enforcement, breach, performance or interpretation of this Agreement, Executive's employment, or the termination of Executive's employment

(excluding any disputes arising under the Restrictive Covenants Agreement), shall be resolved to the fullest extent permitted by law by final, binding and confidential arbitration in Tarrant County, Texas through Judicial Arbitration & Mediation Services/Endispute (“**JAMS**”) in conformity with the then-existing JAMS employment arbitration rules and Texas law. A link to the current JAMS employment arbitration rules follows: <https://www.jamsadr.com/rules-employment-arbitration/english>. **By agreeing to this arbitration procedure, both Executive and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision, to include the arbitrator’s essential findings and conclusions and a statement of the award. The Company shall pay all JAMS’s arbitration fees in excess of the amount of court fees that would be required if the dispute were decided in a court of law. Nothing in this Agreement is intended to prevent either Executive or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Notwithstanding the foregoing, Executive and the Company each have the right to resolve any issue or dispute over intellectual property rights or arising under the Restrictive Covenants Agreement by Court action instead of arbitration. The parties agree to resolve all disputes excluded from arbitration in a court of competent jurisdiction located in Texas sitting without a jury and each party waives its right to a jury trial in any such dispute.

14. Miscellaneous Provisions.

(a) Section 409A.

(i) Separation from Service. Notwithstanding any provision to the contrary in this Agreement, no amount deemed deferred compensation subject to Section 409A of the Code shall be payable pursuant to Sections 3 and 4 above unless Executive’s termination of employment constitutes a “separation from service” with the Company within the meaning of Section 409A of the Code and the Department of Treasury regulations and other guidance promulgated thereunder (“**Separation from Service**”) and, except as provided under Section 14(a)(ii) of this Agreement, any such amount shall not be paid, or in the case of installments, commence payment, until the sixtieth (60th) day following Executive’s Separation from Service. Any installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive’s Separation from Service but for the preceding sentence shall be paid to Executive on the sixtieth (60th) day following Executive’s Separation from Service and the remaining payments shall be made as provided in this Agreement.

(ii) Specified Employee. Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of Executive’s separation from service to be a “specified employee” for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of Executive’s benefits shall not be provided to Executive prior to the earlier of (A) the expiration of the six (6)-month period measured from the date of Executive’s Separation from Service or (B) the date of Executive’s death. Upon the first business day following the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section

14(a)(ii) shall be paid in a lump sum to Executive, and any remaining payments due under this Agreement shall be paid as otherwise provided herein.

(iii) Expense Reimbursements. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A of the Code, any such reimbursements payable to Executive pursuant to this Agreement shall be paid to Executive no later than December 31st of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(iv) Installments. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment.

(b) Waiver. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Whole Agreement. This Agreement and the agreements and provisions incorporated in this Agreement, including, without limitation, the Restrictive Covenants Agreement and the award agreements and equity plans governing the terms of Executive's outstanding and unvested equity awards, represent the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior promises, arrangements and understandings regarding same, whether written or unwritten, or previously approved by the Board of Directors of the Company.

(d) Choice of Law. This Agreement was negotiated, entered into and is performable, in whole or in part, in Tarrant County, Texas. Therefore, the validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas.

(e) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(f) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

(Signature page follows)

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

AMERICAN AIRLINES GROUP, INC.

By: /s/ Grant B. McGee

Title: Vice President, Corporate Secretary

Date: 9/20/23

AMERICAN AIRLINES, INC.

By: /s/ Grant B. McGee

Title: Vice President, Corporate Secretary

Date: 9/20/23

EXECUTIVE

/s/ David G. Seymour

David G. Seymour

Date: 9/20/23

[Signature Page to Severance Agreement]

EXHIBIT A

RELEASE OF CLAIMS

This Release of Claims ("**Release**") is entered into as of _____, 20__, among [_____] ("**Executive**") and American Airlines Group, Inc., a Delaware corporation ("**Group**"), and American Airlines, Inc., a Delaware corporation and a wholly-owned subsidiary of Group ("**American**" and, together with Group, the "**Company**," and, collectively with Executive, the "**Parties**"), effective eight days after Executive's signature hereto (the "**Effective Date**"), unless Executive revokes Executive's acceptance of this Release as provided in Paragraph 1(c), below.

1. Executive's Release of the Company. Executive understands that by agreeing to this Release, Executive is agreeing not to sue, or otherwise file any claim against, the Company or any of its employees or other agents for any reason whatsoever based on anything that has occurred as of the date Executive signs this Release.

(a) On behalf of Executive and Executive's heirs and assigns, Executive hereby releases and forever discharges the "Releasees" hereunder, consisting of the Company, and each of its owners, affiliates, divisions, predecessors, successors, assigns, agents, directors, officers, partners, employees, and insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which Executive now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof, including, without limiting the generality of the foregoing, any Claims arising out of, based upon, or relating to Executive's hire, employment, remuneration or resignation by the Releasees, or any of them, including Claims arising under federal, state, or local laws relating to employment, Claims of any kind that may be brought in any court or administrative agency, any Claims arising under the Age Discrimination in Employment Act ("ADEA"), 29 U.S.C. § 621, et seq.; Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; the Equal Pay Act, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 et seq. the Fair Labor Standards Act, 29 U.S.C. § 215 et seq., the Sarbanes-Oxley Act of 2002; the Texas Labor Code (specifically including the Texas Payday Law, the Texas Anti-Retaliation Act, Chapter 21 of the Texas Labor Code, and the Texas Whistleblower Act); and any and all other federal, state and local laws, statutes, executive orders, regulations municipal ordinances, common law, and any other jurisdiction worldwide; Claims for breach of contract; Claims arising in tort, including, without limitation, Claims of wrongful dismissal or discharge, discrimination, harassment, retaliation, fraud, misrepresentation, defamation, libel, infliction of emotional

distress, violation of public policy, and/or breach of the implied covenant of good faith and fair dealing; and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees.

(b) Notwithstanding the generality of the foregoing, Executive does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA;

(iv) Claims to any benefit entitlements vested as the date of Executive's employment termination, pursuant to written terms of any Company employee benefit plan;

(v) Claims for indemnification under any indemnification agreement with the Company, the Company's Bylaws, any other applicable law or the Company's directors and officers liability insurance policy; and

(vi) Executive's right to bring to the attention of the Equal Employment Opportunity Commission claims of discrimination; provided, however, that Executive does release Executive's right to secure any damages for alleged discriminatory treatment.

(c) In accordance with the Older Workers Benefit Protection Act of 1990, Executive has been advised of the following:

(i) Executive has the right to consult with an attorney before signing this Release;

(ii) Executive has been given at least twenty-one (21) days to consider this Release;

(iii) Executive has seven (7) days after signing this Release to revoke it, and Executive will not receive the severance benefits provided by that certain Severance Agreement among the Parties (the "Severance Agreement") unless and until such seven (7) day period has expired. If Executive wishes to revoke this Release, Executive must deliver notice of Executive's revocation in writing, no later than 5:00 p.m. on the 7th day following Executive's execution of this Release to [_____].

2. Executive Representations. Executive represents and warrants that:

(a) Executive has returned to the Company all Company property in Executive's possession;

(b) Executive is not owed wages, commissions, bonuses or other compensation, other than wages through the date of the termination of Executive's employment and any accrued, unused vacation earned through such date, and any payments that become due under the Severance Agreement;

(c) During the course of Executive's employment Executive did not sustain any injuries for which Executive might be entitled to compensation pursuant to worker's compensation law or Executive has disclosed any injuries of which Executive is currently, reasonably aware for which Executive might be entitled to compensation pursuant to worker's compensation law; and

(d) Executive has not initiated any adversarial proceedings of any kind against the Company or against any other person or entity released herein, nor will Executive do so in the future, except as specifically allowed by this Release.

3. Severability. The provisions of this Release are severable. If any provision is held to be invalid or unenforceable, it shall not affect the validity or enforceability of any other provision.

4. Choice of Law. This Release shall in all respects be governed and construed in accordance with the laws of the State of Texas, including all matters of construction, validity and performance, without regard to conflicts of law principles.

5. Integration Clause. This Release and the Severance Agreement contain the Parties' entire agreement with regard to the separation of Executive's employment, and supersede and replace any prior agreements as to those matters, whether oral or written. This Release may not be changed or modified, in whole or in part, except by an instrument in writing signed by Executive and a duly authorized officer or director of the Company.

6. Execution in Counterparts. This Release may be executed in counterparts with the same force and effectiveness as though executed in a single document. Facsimile signatures shall have the same force and effectiveness as original signatures.

7. Intent to be Bound. The Parties have carefully read this Release in its entirety; fully understand and agree to its terms and provisions; and intend and agree that it is final and binding on all Parties.

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have executed the foregoing on the dates shown below.

AMERICAN AIRLINES GROUP, INC.

By: _____
Title: _____
Date: _____

AMERICAN AIRLINES, INC.

By: _____
Title: _____
Date: _____

EXECUTIVE

Name: _____
Date: _____

EXHIBIT B

RESTRICTIVE COVENANTS AGREEMENT

This Restrictive Covenants Agreement (“**Restrictive Covenants Agreement**”) is entered into by and between American Airlines Group, Inc. on behalf of itself, its subsidiaries, and other affiliates (collectively referred to herein as the “**Company**”), and David G. Seymour (“**Executive**”), as of September 20, 2023 (the “**Effective Date**”), as consideration for and ancillary to the Company’s agreement to enter into the severance agreement to which this Restrictive Covenants Agreement is attached (the “**Severance Agreement**”), and to protect the goodwill and other legitimate business interests of the Company.

1. **Confidentiality.** In furtherance of Executive’s job duties, the Company agrees to provide Executive with access to and use of certain of the Company’s confidential or proprietary information that the Company deems necessary and reasonable for Executive to perform Executive’s job duties, Executive agrees to safeguard the confidentiality of such information, and to not use or disclose any of the Company’s confidential or proprietary information without the Company’s written approval, except as reasonably necessary to carry out Executive’s job duties. For the avoidance of doubt, the foregoing restrictions shall not apply to information that is or becomes generally known in the public through lawful means, and not through a breach of this Restrictive Covenants Agreement or other legal or contractual obligation. In addition, Executive acknowledges that Executive continues to be bound by the confidentiality provisions contained in the Company’s Standards of Business Conduct, the terms and conditions of which are incorporated herein by reference. Nothing herein shall be deemed to limit in any way Executive’s obligations under the Company’s Standards of Business Conduct. In the event of any conflict between the terms hereof and the terms of the Company’s Standards of Business Conduct, the more restrictive terms shall prevail. For the avoidance of doubt, nothing in this Restrictive Covenants Agreement or the Company’s Standards of Business Conduct will be construed to prohibit Executive from filing a charge with, reporting possible violations to, or participating or cooperating with any governmental agency or entity, including but not limited to the EEOC, the Department of Justice, the Securities and Exchange Commission, Congress, or any agency Inspector General, or making other disclosures that are protected under the whistleblower, anti-discrimination, or anti-retaliation provisions of federal, state or local law or regulation; provided, however, that Executive may not disclose information of the Company or any of their affiliates that is protected by the attorney-client privilege, except as otherwise required by law. Executive does not need the prior authorization of the Company to make any such reports or disclosures, and Executive is not required to notify the Company that Executive has made such reports or disclosures. Executive acknowledges receipt of notice of immunity rights under the U.S. Defend Trade Secrets Act, which states: (1) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (2) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the

court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

2. Non-Competition; Non-Solicitation.

(a) Executive acknowledges that during the course of Executive's employment (which as used in this Restrictive Covenants Agreement shall include engagement as an independent contractor or other non-employee role as well) with the Company, Executive has and shall become familiar with the Company's corporate strategy, pricing and other market information, know-how, trade secrets, and valuable customer, supplier and employee relationships, and with other confidential or proprietary information concerning the Company, and that Executive's services shall be of special, unique and extraordinary value to the Company. Executive also acknowledges that the Company's business, through (A) the location of its customers and facilities and (B) the area in which its services are offered, is international in scope and extends worldwide. Accordingly, Executive agrees that, during Executive's employment with the Company and for twelve (12) months thereafter (unless some longer period is specified in any other agreement between Executive and the Company) (the "**Noncompete Period**"), Executive shall not directly or indirectly: (i) own any interest in, manage, control, or in any other manner engage in, or take significant steps to engage in, any Competing Business (as defined on Annex 1 to this Agreement), provided nothing herein shall prohibit Executive from being a passive owner of not more than two percent (2%) of the outstanding stock of any class of the stock of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation, or (ii) be employed by, consult with, or render services to any Competing Business, whether as an employee, consultant, contractor, advisor, member, director, or otherwise, in a role that is similar to any role Executive held at any time while employed by the Company, that is executive or managerial in nature, or in which Executive could reasonably be expected to use or disclose any of confidential or proprietary information of the Company, in either case (i) or (ii), in any state, country and area where the Company conducts business during Executive's employment with the Company or has material plans to conduct business as of the termination of such employment (the "**Geographic Area**").

(b) During Executive's employment with the Company and for twenty-four (24) months thereafter (the "**Non-Solicit Period**"), Executive shall not directly or indirectly through another individual, corporation, partnership, limited liability company, joint venture, estate, trust, association, unincorporated organization or other entity or group (A) solicit for employment or hire, employ or hire, or otherwise induce or attempt to induce any employee, consultant or other service provider of the Company to leave the employ or engagement of the Company, or in any way interfere with the relationship between the Company and any employee, consultant, or other service provider thereof, (B) solicit the business of or offer or provide services that are similar to the Company's services to any of the Company's customers, or (C) induce or encourage any customer, supplier, licensee, licensor or other business relation of the Company to cease doing business with the Company, or in any way interfere with the relationship between any such customer, supplier, licensee, licensor or business relation and the Company (including, without limitation, making any negative or disparaging statements or communications regarding the Company) in the Geographic Area; provided, that the foregoing shall be limited to such employees, consultants, service providers, customers, suppliers, licensees, licensors or other business relations with which Executive had business dealings or about whom or which Executive acquired information or had access to the

Company's confidential information about the customer, employee, consultant, service provider, suppliers, licensee or licensor during Executive's employment with the Company.

3. Enforcement. If, at the time of enforcement of Sections 1 or 2, a court or other governing body shall hold that the limitations as to time, geographic area or scope of activity stated herein are unreasonable under circumstances then existing, Executive agrees that the maximum limitations as to time, geographic area or scope of activity that are reasonable under such circumstances shall be substituted for the stated limitations and that the court or other governing body shall reform the restrictions contained herein to cover the maximum period, scope and area permitted by law. Executive acknowledges that the restrictions contained in Sections 1 and 2 are reasonable and necessary for the protection of the Company's confidential information, goodwill and other legitimate business interests. Executive acknowledges that any breach or threatened breach of the provisions of Sections 1 or 2 would cause the Company irreparable harm. Accordingly, in addition to other rights and remedies existing in its favor, the Company shall be entitled to seek specific performance and/or injunctive or other equitable relief from a court of competent jurisdiction in order to enforce or prevent any violations of the provisions hereof (without posting a bond or other security). Further, in the event of an alleged breach or violation of Section 1 or 2 by Executive, the Noncompete Period or Non-Solicit Period, as applicable, shall be tolled until such breach or violation has been duly cured and the Noncompete Period or Non-Solicit Period, as applicable, shall be extended by the period of time during which Executive was in breach of the restrictive covenants. The parties agree that because the Company is based in Texas and this Restrictive Covenants Agreement was negotiated, entered into and is performable in whole or in part in Texas, the laws of the State of Texas shall govern this Restrictive Covenants Agreement.

4. No Restriction on Earning a Living. By Executive's entrance into the Severance Agreement and this Restrictive Covenants Agreement, Executive hereby acknowledges that the provisions of this Restrictive Covenants Agreement do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition, Executive hereby acknowledges that the potential harm to the Company of non-enforcement of this Restrictive Covenants Agreement outweighs any harm to Executive of enforcement (by injunction or otherwise) of this Restrictive Covenants Agreement against Executive.

5. Breach. If at any time before or after the date Executive's employment or other service relationship with the Company is terminated, Executive breaches any of the obligations under this Restrictive Covenants Agreement, then, in addition to all other legal and equitable remedies available to the Company, the Company may, by delivery of written notice to Executive within ninety (90) days after its actual knowledge of such breach, terminate Executive's right to receive any unpaid severance benefits and any unvested portion of any equity awards, require the repayment of any severance benefits previously paid and elect to purchase all or any portion of the Company common stock issued to Executive (to the extent not previously repurchased) upon vesting or exercise of an equity award at a price per share equal to the lower of fair market value as of the date of repurchase or the original purchase price paid by Executive. In the event Executive disposes of the shares of Company common stock acquired upon vesting or exercise of equity awards prior to the Company exercising its repurchase right pursuant to the preceding sentence, then Executive agrees to, within 10 days after receiving the Company's written notice in accordance with this

Section 5, remit to the Company an amount equal to the fair market value of the shares of Company common stock so disposed, calculated as of the date Executive disposed of the shares of Company common stock. Each written notice in accordance with this Section 5 will identify the shares of Company common stock to be acquired from Executive, the repurchase price of such Company common stock and the time and place for the closing of the transaction. At the closing, the Company shall pay the repurchase price to Executive, and Executive shall transfer the shares of Company common stock being repurchased to the Company or the fair market value of such shares of Company common stock as of the date Executive disposed of them, as applicable. Executive hereby appoints the Company as Executive's attorney-in-fact to facilitate and effect any such repurchase.

(Signature page follows)

IN WITNESS WHEREOF, the Company and Executive have executed this Restrictive Covenants Agreement as of the Effective Date above.

American Airlines Group, Inc.

By: /s/ Grant McGee

Name: Grant McGee

Title: Vice President, Corporate Secretary

EXECUTIVE

Signature: David Seymour

Print Name: David Seymour

[Signature Page to Restrictive Covenants Agreement]

Annex 1

to

Restrictive Covenants Agreement

Competing Business Definition

Intentionally omitted pursuant to Regulation S-K, Item 601(a)(5)

CEO CERTIFICATION

I, Robert D. Isom, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Airlines Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 19, 2023

/s/ Robert D. Isom

Name: Robert D. Isom

Title: Chief Executive Officer and President

CFO CERTIFICATION

I, Devon E. May, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Airlines Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 19, 2023

/s/ Devon E. May

Name: Devon E. May

Title: Executive Vice President and
Chief Financial Officer

CEO CERTIFICATION

I, Robert D. Isom, certify that:

- (a) I have reviewed this Quarterly Report on Form 10-Q of American Airlines, Inc.;
- (b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (d) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - i. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - ii. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - iii. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - iv. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (e) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - i. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - ii. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 19, 2023

/s/ Robert D. Isom

Name: Robert D. Isom

Title: Chief Executive Officer and President

CFO CERTIFICATION

I, Devon E. May, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Airlines, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 19, 2023

/s/ Devon E. May

Name: Devon E. May

Title: Executive Vice President and
Chief Financial Officer

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of American Airlines Group Inc. (the "Company") for the quarterly period ended September 30, 2023 (the "Report"), Robert D. Isom, as Chief Executive Officer and President of the Company, and Devon E. May, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert D. Isom

Name: Robert D. Isom

Title: Chief Executive Officer and President

Date: October 19, 2023

/s/ Devon E. May

Name: Devon E. May

Title: Executive Vice President and
Chief Financial Officer

Date: October 19, 2023

This certification is being furnished to accompany the Report pursuant to 18 U.S.C. § 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of American Airlines, Inc. (the "Company") for the quarterly period ended September 30, 2023 (the "Report"), Robert D. Isom, as Chief Executive Officer and President of the Company, and Devon E. May, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert D. Isom

Name: Robert D. Isom

Title: Chief Executive Officer and President

Date: October 19, 2023

/s/ Devon E. May

Name: Devon E. May

Title: Executive Vice President and
Chief Financial Officer

Date: October 19, 2023

This certification is being furnished to accompany the Report pursuant to 18 U.S.C. § 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.