

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 June 30, 2025

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

(Address of principal executive offices)

75-1825172

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

76155

(Zip Code)

(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

(Address of principal executive offices)

13-1502798

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

76155

(Zip Code)

(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 July 18, 2025, there were 659,828,821 shares of American Airlines Group Inc. common stock outstanding.

As of July 18, 2025, 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 June 30, 2025
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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. Capitalized terms used but not defined herein shall have the meanings given to them in our annual report on Form 10-K for the year ended December 31, 2024 (2024 Form 10-K).

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:

- downturns in economic conditions;
- our inability to obtain sufficient financing or other capital to operate successfully;
- our high level of debt and other obligations;
- our significant pension and other postretirement benefit funding obligations;
- any deterioration of our financial condition;
- any loss of key personnel, or our inability to attract, develop and retain additional qualified personnel;
- changing economic, geopolitical, commercial, regulatory and other conditions beyond our control, including the recently announced tariffs and other global events that affect travel behavior;
- changes in current legislation, regulations and economic conditions regarding federal governmental tariffs, the implementation of federal government budget cuts and the potential that any of the foregoing affects the demand for, or restricts the use of, travel by government employees and their families or private sector enterprises that contract or otherwise interface with the federal government;
- the intensely competitive and dynamic nature of the airline industry;
- union disputes, employee strikes and other labor-related disruptions;
- problems with any of our third-party regional operators or third-party service providers;
- any damage to our reputation or brand image;
- losses and adverse publicity stemming from any public incidents involving our company, our people or our brand;
- changes to our business model that may not be successful and may cause operational difficulties or decreased demand;
- our inability to protect our intellectual property rights, particularly our branding rights;
- litigation in the normal course of business or otherwise;
- our inability to use net operating losses and other carryforwards;
- any new U.S. and international tax legislation;
- any impairment of goodwill and intangible assets or long-lived assets;

- any inability of our commercial relationships with other companies to produce the returns or results we expect;
- our dependence on price and availability of aircraft fuel;
- extensive government regulation and compliance risks;
- economic and political instability outside of the U.S. where we have significant operations;
- ongoing security concerns due to conflicts, terrorist attacks or other acts of violence, domestically or abroad;
- climate change;
- environmental and social matters, and compliance risks with environmental, health and noise regulations;
- a shortage of pilots;
- our dependence on a limited number of suppliers for aircraft, aircraft engines and parts;
- any failure of technology and automated systems, including artificial intelligence, that we rely on to operate our business;
- evolving data privacy requirements, risks from cyberattacks and data privacy incidents, and compliance risks with regulations related therewith;
- any inability to effectively manage the costs, rights and functionality of third-party distribution channels;
- any inability to obtain and maintain adequate facilities and infrastructure throughout our system and, at some airports, adequate slots;
- interruptions or disruptions in service at one or more of our key facilities;
- increases in insurance costs or reductions in insurance coverage;
- heavy taxation in the airline industry;
- risks related to ownership of AAG common stock; and

other risks as described in Part I, Item 1A. Risk Factors in our 2024 Form 10-K, Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations of this report and other risks and uncertainties listed from time to time in our filings with the Securities and Exchange Commission (the SEC).

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.

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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating revenues:				
Passenger	\$ 13,123	\$ 13,202	\$ 24,514	\$ 24,661
Cargo	211	195	400	382
Other	1,058	937	2,029	1,861
Total operating revenues	14,392	14,334	26,943	26,904
Operating expenses:				
Aircraft fuel and related taxes	2,663	3,061	5,250	6,042
Salaries, wages and benefits	4,382	3,953	8,604	7,820
Regional expenses	1,331	1,268	2,683	2,469
Maintenance, materials and repairs	927	950	1,848	1,834
Other rent and landing fees	894	834	1,720	1,653
Aircraft rent	303	314	600	642
Selling expenses	535	456	985	864
Depreciation and amortization	476	474	944	944
Special items, net	47	—	118	70
Other	1,699	1,640	3,327	3,175
Total operating expenses	13,257	12,950	26,079	25,513
Operating income	1,135	1,384	864	1,391
Nonoperating income (expense):				
Interest income	100	128	194	246
Interest expense, net	(433)	(486)	(861)	(984)
Other income (expense), net	36	2	(8)	(38)
Total nonoperating expense, net	(297)	(356)	(675)	(776)
Income before income taxes	838	1,028	189	615
Income tax provision	239	311	63	210
Net income	\$ 599	\$ 717	\$ 126	\$ 405
Earnings per common share:				
Basic	\$ 0.91	\$ 1.09	\$ 0.19	\$ 0.62
Diluted	\$ 0.91	\$ 1.01	\$ 0.19	\$ 0.59
Weighted average shares outstanding (in thousands):				
Basic	660,127	656,965	659,504	656,406
Diluted	660,367	720,302	660,523	720,712

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 599	\$ 717	\$ 126	\$ 405
Other comprehensive income (loss), net of tax:				
Pension, retiree medical and other postretirement benefits	17	19	35	37
Investments	—	—	—	(1)
Total other comprehensive income, net of tax	<u>17</u>	<u>19</u>	<u>35</u>	<u>36</u>
Total comprehensive income	<u>\$ 616</u>	<u>\$ 736</u>	<u>\$ 161</u>	<u>\$ 441</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)

	June 30, 2025 (Unaudited)	December 31, 2024
ASSETS		
Current assets		
Cash	\$ 833	\$ 804
Short-term investments	7,740	6,180
Restricted cash and short-term investments	807	732
Accounts receivable, net	2,057	2,006
Aircraft fuel, spare parts and supplies, net	2,776	2,638
Prepaid expenses and other	855	794
Total current assets	15,068	13,154
Operating property and equipment		
Flight equipment	44,219	43,521
Ground property and equipment	10,304	10,202
Equipment purchase deposits	976	1,012
Total property and equipment, at cost	55,499	54,735
Less accumulated depreciation and amortization	(24,298)	(23,608)
Total property and equipment, net	31,201	31,127
Operating lease right-of-use assets	7,488	7,333
Other assets		
Goodwill	4,091	4,091
Intangibles, net of accumulated amortization of \$845 and \$841, respectively	2,040	2,044
Deferred tax asset	2,411	2,485
Other assets	1,368	1,549
Total other assets	9,910	10,169
Total assets	\$ 63,667	\$ 61,783
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Current maturities of long-term debt and finance leases	\$ 4,605	\$ 5,322
Accounts payable	3,130	2,455
Accrued salaries and wages	1,900	2,150
Air traffic liability	8,240	6,759
Loyalty program liability	3,666	3,556
Operating lease liabilities	1,120	1,092
Other accrued liabilities	3,110	2,961
Total current liabilities	25,771	24,295
Noncurrent liabilities		
Long-term debt and finance leases, net of current maturities	25,276	25,154
Pension and postretirement benefits	1,814	2,128
Loyalty program liability	6,805	6,498
Operating lease liabilities	6,200	5,976
Other liabilities	1,671	1,709
Total noncurrent liabilities	41,766	41,465
Commitments and contingencies		
Stockholders' equity (deficit)		
Common stock, \$0.01 par value; 1,750,000,000 shares authorized, 659,797,256 shares issued and outstanding at June 30, 2025; 657,566,166 shares issued and outstanding at December 31, 2024	7	7
Additional paid-in capital	7,370	7,424
Accumulated other comprehensive loss	(4,530)	(4,565)
Retained deficit	(6,717)	(6,843)
Total stockholders' deficit	(3,870)	(3,977)
Total liabilities and stockholders' equity (deficit)	\$ 63,667	\$ 61,783

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2025	2024
Net cash provided by operating activities	\$ 3,419	\$ 3,308
Cash flows from investing activities:		
Capital expenditures and aircraft purchase deposits	(1,323)	(1,475)
Proceeds from sale-leaseback transactions and sale of property and equipment	200	353
Purchases of short-term investments	(4,680)	(4,714)
Sales of short-term investments	3,119	3,881
Decrease (increase) in restricted short-term investments	(73)	68
Other investing activities	279	(5)
Net cash used in investing activities	(2,478)	(1,892)
Cash flows from financing activities:		
Payments on long-term debt and finance leases	(2,365)	(1,836)
Proceeds from issuance of long-term debt	1,659	527
Other financing activities	(206)	(48)
Net cash used in financing activities	(912)	(1,357)
Net increase in cash and restricted cash	29	59
Cash and restricted cash at beginning of period	902	681
Cash and restricted cash at end of period ⁽¹⁾	\$ 931	\$ 740
Non-cash transactions:		
Right-of-use (ROU) assets acquired through operating leases	\$ 687	\$ 630
Property and equipment acquired through finance leases and other	91	158
Operating leases converted to finance leases	83	130
Finance leases converted to operating leases	45	30
Supplemental information:		
Interest paid, net	832	979
Income taxes paid	10	6

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

Cash	\$ 833	\$ 605
Restricted cash included in restricted cash and short-term investments	98	135
Total cash and restricted cash	\$ 931	\$ 740

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, 2024	\$ 7	\$ 7,424	\$ (4,565)	\$ (6,843)	\$ (3,977)
Net loss	—	—	—	(473)	(473)
Other comprehensive income, net	—	—	18	—	18
Settlement of PSP1 and Treasury Loan Warrants (see Note 3)	—	(79)	—	—	(79)
Issuance of 1,914,837 shares of AAG common stock pursuant to employee stock plans net of shares withheld for cash taxes	—	(13)	—	—	(13)
Share-based compensation expense	—	16	—	—	16
Balance at March 31, 2025	<u>7</u>	<u>7,348</u>	<u>(4,547)</u>	<u>(7,316)</u>	<u>(4,508)</u>
Net income	—	—	—	599	599
Other comprehensive income, net	—	—	17	—	17
Issuance of 316,253 shares of AAG common stock pursuant to employee stock plans net of shares withheld for cash taxes	—	(1)	—	—	(1)
Share-based compensation expense	—	23	—	—	23
Balance at June 30, 2025	<u>\$ 7</u>	<u>\$ 7,370</u>	<u>\$ (4,530)</u>	<u>\$ (6,717)</u>	<u>\$ (3,870)</u>
	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Total
Balance at December 31, 2023	\$ 7	\$ 7,374	\$ (4,894)	\$ (7,689)	\$ (5,202)
Net loss	—	—	—	(312)	(312)
Other comprehensive income, net	—	—	17	—	17
Issuance of 1,772,443 shares of AAG common stock pursuant to employee stock plans net of shares withheld for cash taxes	—	(11)	—	—	(11)
Share-based compensation expense	—	28	—	—	28
Modification of share-based awards	—	(20)	—	—	(20)
Balance at March 31, 2024	<u>7</u>	<u>7,371</u>	<u>(4,877)</u>	<u>(8,001)</u>	<u>(5,500)</u>
Net income	—	—	—	717	717
Other comprehensive income, net	—	—	19	—	19
Issuance of 562,167 shares of AAG common stock pursuant to employee stock plans net of shares withheld for cash taxes	—	(3)	—	—	(3)
Share-based compensation expense	—	21	—	—	21
Balance at June 30, 2024	<u>\$ 7</u>	<u>\$ 7,389</u>	<u>\$ (4,858)</u>	<u>\$ (7,284)</u>	<u>\$ (4,746)</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, 2024. 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) Operating Property and Equipment

Effective January 1, 2025, we adjusted the estimated useful lives of our mainline and regional aircraft, engines and related rotatable parts by three years to align with the extended lives of aircraft included in our long-term fleet plan. In conjunction with this change, we also reduced the salvage values for most of these assets from 10% to 5% of original cost to more closely reflect the estimated value at the end of the useful life. Accordingly, the estimated useful lives for the principal property and equipment classification are as follows:

<u>Principal Property and Equipment Classification</u>	<u>Estimated Useful Life</u>
Aircraft, engines and related rotatable parts	20 – 33 years

The effect of these changes did not have a material impact to depreciation and amortization expense in the condensed consolidated statement of operations for the three and six months ended June 30, 2025.

(c) Construction Projects

American's improvements to the overhaul and maintenance base at Tulsa International Airport (Tulsa Maintenance Base) include the design, construction and renovation of various facilities at the Tulsa Maintenance Base. The Tulsa Maintenance Base is American's largest maintenance facility and is an integral part of operating its mainline fleet. American has concluded that it does not control the underlying assets being constructed, and therefore, it recognizes operating lease liabilities with corresponding right-of-use assets on the condensed consolidated balance sheet as individual project stages are completed and leases commence.

In May 2025, the Tulsa Municipal Airport Trust (TMAT) issued \$400 million aggregate principal amount of special facility revenue bonds on behalf of American, with \$300 million maturing on December 1, 2035 and \$100 million maturing on December 1, 2040 (collectively, the 2025 TMAT Bonds). The 2025 TMAT Bond due December 1, 2035 was priced at 109% of par value and the 2025 TMAT Bond due December 1, 2040 was priced at 107% of par value. The gross proceeds from the issuance of the 2025 TMAT Bonds were approximately \$432 million. Of this amount, \$104 million was used to fund the redemption of the aggregate principal amount of TMAT's outstanding 2015 special facility revenue bonds (the 2015 TMAT Bonds) and the remaining \$328 million will be used to finance the cost of improvements at the Tulsa Maintenance Base. The net proceeds received from the 2025 TMAT Bonds, offset by related project spend, are reflected within other investing activities in the condensed consolidated statement of cash flows.

The 2025 TMAT Bonds bear interest at 6.25% per annum commencing on May 8, 2025, until the day preceding the applicable maturity date, on which date the bonds will be subject to mandatory tender for purchase by American. American is required to pay rent equal to the annual principal and interest requirement on the 2025 TMAT Bonds through payments under a sublease agreement with TMAT (as amended), and AAG guarantees the 2025 TMAT Bonds. American's

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

obligations under both the sublease agreement with TMAT and the 2025 TMAT Bonds are secured by a leasehold mortgage on American's lease of the Tulsa Maintenance Base.

2. Special Items, Net

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Litigation reserve adjustments	\$ 47	\$ —	\$ 77	\$ —
Labor contract expenses ⁽¹⁾	—	—	31	57
Severance expenses	—	—	5	13
Other operating special items, net	—	—	5	—
Mainline operating special items, net	47	—	118	70
Debt refinancing, extinguishment and other, net	(2)	7	17	7
Mark-to-market adjustments on equity investments, net ⁽²⁾	(14)	5	15	51
Nonoperating special items, net	(16)	12	32	58

⁽¹⁾ Labor contract expenses for the six months ended June 30, 2025 included a one-time charge for adjustments to vacation accruals resulting from pay rate increases effective January 1, 2025, related to the ratification of the contract extension in the fourth quarter of 2024 with our mainline maintenance and fleet service team members.

Labor contract expenses for the six months ended June 30, 2024 included one-time charges resulting from the ratification of a new collective bargaining agreement with our mainline passenger service team members, including a one-time signing bonus.

⁽²⁾ 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 Per Common Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Basic EPS:				
Net income	\$ 599	\$ 717	\$ 126	\$ 405
Weighted average common shares outstanding (in thousands)	660,127	656,965	659,504	656,406
Basic EPS	<u>\$ 0.91</u>	<u>\$ 1.09</u>	<u>\$ 0.19</u>	<u>\$ 0.62</u>
Diluted EPS:				
Net income	\$ 599	\$ 717	\$ 126	\$ 405
Interest expense on 6.50% convertible senior notes	—	9	—	22
Net income for purposes of computing diluted EPS	<u>\$ 599</u>	<u>\$ 726</u>	<u>\$ 126</u>	<u>\$ 427</u>
Share computation for diluted EPS (in thousands):				
Basic weighted average common shares outstanding	660,127	656,965	659,504	656,406
Dilutive effect of restricted stock unit awards	240	723	370	865
Dilutive effect of certain PSP Warrants and Treasury Loan Warrants	—	886	649	1,713
Assumed conversion of 6.50% convertible senior notes	—	61,728	—	61,728
Diluted weighted average common shares outstanding	<u>660,367</u>	<u>720,302</u>	<u>660,523</u>	<u>720,712</u>
Diluted EPS	<u>\$ 0.91</u>	<u>\$ 1.01</u>	<u>\$ 0.19</u>	<u>\$ 0.59</u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
6.50% convertible senior notes ⁽¹⁾	—	—	30,864	—
Restricted stock unit awards	2,012	2,912	1,673	3,112

⁽¹⁾ On March 27, 2025, we provided notice to the holders of our Convertible Notes that we would settle our Convertible Notes at their upcoming maturity on July 1, 2025, in cash (including any conversions up to a price per share of AAG common stock of approximately \$22.00). As a result, for the three months ended June 30, 2025, we have excluded the assumed conversion of the Convertible Notes from the calculation of diluted EPS.

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

During the first quarter of 2025, all of the PSP1 Warrants and Treasury Loan Warrants, 14.0 million shares and 4.4 million shares, respectively, were exercised at an exercise price of \$12.51 per share and net settled in cash for \$79 million.

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

The table below provides a summary of the warrants outstanding as of June 30, 2025:

Warrants	Warrants Issued (shares, in thousands) ⁽¹⁾	Exercise Price (\$)	Expiration
PSP2 Warrants	6,576	15.66	January 2026 to April 2026
PSP3 Warrants	4,407	21.75	April 2026 to June 2026

⁽¹⁾ The PSP2 Warrants and PSP3 Warrants are subject to certain anti-dilution provisions, do not have any voting rights and are freely transferable, with registration rights. Each warrant will be exercisable either through net share settlement or cash, at our option. The warrants were issued solely as compensation to the U.S. Government related to entry into the payroll support program agreements. No separate proceeds (apart from the financial assistance previously received in 2021 and 2020) were received upon issuance of the warrants or will be received upon exercise thereof.

4. Revenue Recognition

Revenue

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Passenger revenue:				
Passenger travel	\$ 12,126	\$ 12,212	\$ 22,601	\$ 22,795
Loyalty revenue - travel ⁽¹⁾	997	990	1,913	1,866
Total passenger revenue	13,123	13,202	24,514	24,661
Cargo	211	195	400	382
Other:				
Loyalty revenue - marketing services	912	799	1,735	1,584
Other revenue	146	138	294	277
Total other revenue	1,058	937	2,029	1,861
Total operating revenues	\$ 14,392	\$ 14,334	\$ 26,943	\$ 26,904

⁽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):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Domestic	\$ 9,159	\$ 9,342	\$ 17,286	\$ 17,604
Latin America	1,550	1,562	3,455	3,464
Atlantic	2,086	2,019	3,052	3,012
Pacific	328	279	721	581
Total passenger revenue	\$ 13,123	\$ 13,202	\$ 24,514	\$ 24,661

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

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

Contract Balances

Our significant contract liabilities are comprised of (1) outstanding loyalty program mileage credits that may be redeemed for future air travel, non-air travel and other 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.

	June 30, 2025	December 31, 2024
	(In millions)	
Loyalty program liability	\$ 10,471	\$ 10,054
Air traffic liability	8,240	6,759
Total	\$ 18,711	\$ 16,813

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, 2024	\$ 10,054
Deferral of revenue	2,278
Recognition of revenue ⁽¹⁾	(1,861)
Balance at June 30, 2025 ⁽²⁾	<u>\$ 10,471</u>

⁽¹⁾ Principally relates to revenue recognized from the redemption of mileage credits for air travel, non-air travel and other 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 the 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 June 30, 2025, our current loyalty program liability was \$3.7 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 generally one year. Accordingly, any revenue associated with tickets sold for future travel will be recognized within 12 months. For the six months ended June 30, 2025, \$4.8 billion of revenue was recognized in passenger revenue that was included in our air traffic liability at December 31, 2024.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
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5. Debt

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

	June 30, 2025	December 31, 2024
Secured		
2013 Term Loan Facility, variable interest rate of 6.50%, installments until due in February 2028	\$ 970	\$ 980
2014 Term Loan Facility, variable interest rate of 5.98%, installments until due in January 2027	1,159	1,171
2023 Term Loan Facility, variable interest rate of 6.51%, installments until due in June 2029	1,089	1,089
10.75% senior secured IP notes, interest only payments until due in February 2026	524	781
10.75% senior secured LGA/DCA notes, interest only payments until due in February 2026	105	156
7.25% senior secured notes, interest only payments until due in February 2028	750	750
8.50% senior secured notes, interest only payments until due in May 2029	1,000	1,000
5.50% senior secured notes, installments until due in April 2026 ⁽¹⁾	1,167	1,750
5.75% senior secured notes, installments beginning in July 2026 until due in April 2029 ⁽¹⁾	3,000	3,000
2021 AAdvantage Term Loan Facility, variable interest rate of 6.52%, installments until due in April 2028	2,275	2,450
2025 AAdvantage Term Loan Facility, variable interest rate of 7.58%, installments beginning in July 2025 until due in May 2032 ⁽¹⁾	1,000	—
Enhanced equipment trust certificates (EETCs), fixed interest rates ranging from 2.88% to 7.15%, averaging 3.79%, maturing from 2025 to 2034	6,364	7,271
Equipment loans and other notes payable, fixed and variable interest rates ranging from 2.55% to 6.89%, averaging 6.03%, maturing from 2025 to 2037	4,522	4,094
Special facility revenue bonds, fixed interest rates ranging from 2.25% to 5.38%, maturing from 2026 to 2036	880	880
	<u>24,805</u>	<u>25,372</u>
Unsecured		
PSP1 Promissory Note, variable interest rate of 6.13%, interest only payments until due in April 2030	1,757	1,757
PSP2 Promissory Note, interest only payments until due in January 2031 ⁽²⁾	1,030	1,030
PSP3 Promissory Note, interest only payments until due in April 2031 ⁽²⁾	959	959
6.50% convertible senior notes, interest only payments until due in July 2025	1,000	1,000
	<u>4,746</u>	<u>4,746</u>
Total long-term debt	29,551	30,118
Less: Total unamortized debt discount, premium and issuance costs	332	305
Less: Current maturities	4,514	5,196
Long-term debt, net of current maturities	<u>\$ 24,705</u>	<u>\$ 24,617</u>

⁽¹⁾ Collectively referred to as the AAdvantage Financing.

⁽²⁾ PSP2 and PSP3 notes bear interest at a fixed interest rate of 1.00% until the first and second quarters of 2026, respectively. Thereafter and until maturity, the notes bear interest at 2.00% plus an interest rate based on the Secured Overnight Financing Rate (SOFR) or other benchmark replacement rate consistent with customary market conventions.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
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As of June 30, 2025, the maximum availability under our revolving credit and other facilities is as follows (in millions):

2013 Revolving Facility ⁽¹⁾	\$	519
2014 Revolving Facility ⁽¹⁾		1,557
2023 Revolving Facility ⁽¹⁾		924
Other facilities ⁽²⁾		400
Total	\$	3,400

⁽¹⁾ On April 21, 2025, the aggregate revolving commitments under the 2013, 2014 and 2023 Revolving Facilities were increased from \$2.9 billion to \$3.0 billion upon the upside of commitments by certain existing lenders. No other terms were changed and there are no borrowings outstanding under the facilities.

⁽²⁾ Includes a revolving credit facility that provides for borrowing capacity of up to \$350 million, maturing in March 2027 with an option to extend for an additional year. Additionally, American currently has \$50 million of available borrowing base under a cargo receivables facility that is set to expire in December 2025. There are no amounts drawn under these facilities.

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

AAdvantage Term Loan Facilities

On March 24, 2025, American and AAdvantage Loyalty IP Ltd. (the Borrowers) entered into a second amendment to the term loan credit and guaranty agreement dated March 24, 2021 (the Second Amendment). As a result of the Second Amendment, the term loans outstanding with a principal amount of approximately \$2.3 billion (the 2021 AAdvantage Term Loan Facility) were replaced with new term loans in the same principal amount. The terms of the new term loans are substantially similar to the prior term loans; however, the new term loans bear interest at a base rate (subject to a floor of 0.00%) plus an applicable margin of 1.25% per annum or, at the Borrowers' option, the SOFR for a tenor of three months (subject to a floor of 0.00%), plus an applicable margin of 2.25% per annum. Additionally, the scheduled quarterly principal amortization amount was reduced to 0.25% of the principal amount of term loans outstanding as of March 24, 2025 (approximately \$6 million each quarter), payable beginning in July 2025, and the remaining balance is due at maturity in April 2028. Pursuant to the Second Amendment, the new term loans are not subject to a cost spread adjustment.

On May 28, 2025, the Borrowers entered into a third amendment to the term loan credit and guaranty agreement dated March 24, 2021 (the Third Amendment). As a result of the Third Amendment, the Borrowers incurred \$1.0 billion of incremental term loans (the 2025 AAdvantage Term Loan Facility) due on May 28, 2032. The terms of the 2025 AAdvantage Term Loan Facility are substantially similar to the 2021 AAdvantage Term Loan Facility; however, the 2025 AAdvantage Term Loan Facility bears interest at a base rate (subject to a floor of 0.00%) plus an applicable margin of 2.25% per annum or, at the Borrowers' option, the SOFR rate for a tenor of three months (subject to a floor of 0.00%), plus an applicable margin of 3.25% per annum. Additionally, the scheduled quarterly principal amortization amount is equal to 0.25% of the original aggregate principal amount of the 2025 AAdvantage Term Loan Facility (approximately \$3 million each quarter), payable beginning in July 2025, and the remaining balance is due at maturity in May 2032. Pursuant to the Third Amendment, the 2025 AAdvantage Term Loan Facility is not subject to a cost spread adjustment. The net proceeds from the 2025 AAdvantage Term Loan Facility were used to repay near term maturities, including the Convertible Notes described further below.

6.50% Convertible Senior Notes (the Convertible Notes)

On March 27, 2025, we provided notice to the holders of our Convertible Notes that we would settle our Convertible Notes at their maturity in cash (including any conversions up to a price per share of AAG common stock of approximately \$22.00). We changed the default settlement method applicable to conversions of the Convertible Notes to provide that no shares of AAG common stock would be due upon settlement of the conversion of any Convertible Note (and, accordingly, such conversion would be settled entirely in cash) if the volume-weighted average price per share of AAG common stock did not exceed approximately \$22.00 on any trading day of the 20-trading day "observation period" over which the consideration due upon conversion is calculated and determined. Pursuant to the terms of the indenture governing the Convertible Notes, the holders of the Convertible Notes could convert at their option beginning April 1, 2025, until the

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
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close of business on the scheduled trading day immediately before the maturity date, July 1, 2025, of the Convertible Notes.

On July 1, 2025, the volume-weighted average price per share of AAG common stock did not exceed \$22.00 on any trading day of the 20-trading day "observation period" and therefore the Convertible Notes were settled at their maturity in cash for \$1.0 billion.

Equipment Loans and Other Notes Payable Issued in 2025

During the first six months of 2025, American entered into agreements under which it borrowed \$712 million in connection with the financing of certain aircraft. Debt incurred under these agreements matures in 2036 through 2037 and bears interest at variable rates (comprised of SOFR plus an applicable margin) averaging 6.29% as of June 30, 2025.

Other Financing Activities

During the first six months of 2025, American prepaid \$487 million of the outstanding principal amounts of equipment notes issued under EETCs, and these amounts were applied to repay the related trust certificates. Additionally, American prepaid \$308 million toward portions of the outstanding principal amounts of the 10.75% senior secured IP notes and 10.75% senior secured LGA/DCA notes.

6. Income Taxes

At December 31, 2024, we had approximately \$12.9 billion of gross federal net operating losses (NOLs) and \$5.9 billion of other carryforwards available to reduce future federal taxable income, of which \$2.6 billion will expire beginning in 2033 if unused and \$16.2 billion can be carried forward indefinitely. We also had approximately \$5.2 billion of NOL carryforwards to reduce future state taxable income at December 31, 2024, which will expire in taxable years 2024 through 2044 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 and other carryforwards, 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.

We have historically calculated the provision for income taxes during interim reporting periods by applying an estimate of the annual effective tax rate for the full year to income or loss for the reporting period. We have changed to use the discrete method to calculate taxes for the three and six months ended June 30, 2025. At this time, we believe that the use of the discrete method for the three and six months ended June 30, 2025 is more appropriate than the estimated annual effective tax rate method due to the fact that small changes in projected full year income could cause material fluctuations in our annual effective tax rate applied during each quarter.

During the three and six months ended June 30, 2025, we recorded an income tax provision of \$239 million and \$63 million, respectively, which was substantially non-cash due to the utilization of the NOLs described above. Substantially all of our income before income taxes is attributable to the United States.

On July 4, 2025, H.R. 1, the "One Big Beautiful Bill Act" (the OBBBA) was signed into law in the U.S. Among other changes, the OBBBA modifies key business tax provisions, including by restoring 100% bonus depreciation under Section 168(k), reverting to the higher, EBITDA-based, business interest expense limitation under Section 163(j) and changing the computation of taxes related to international operations. Based on our current analysis of these provisions, we do not believe these provisions will have a material impact on our consolidated financial statements.

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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 six months ended June 30, 2025.

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

	Fair Value Measurements as of June 30, 2025			
	Total	Level 1	Level 2	Level 3
Short-term investments ^{(1), (2)} :				
Money market funds	\$ 925	\$ 925	\$ —	\$ —
Corporate obligations	4,570	—	4,570	—
Bank notes/certificates of deposit/time deposits	1,745	—	1,745	—
Repurchase agreements	500	—	500	—
	<u>7,740</u>	<u>925</u>	<u>6,815</u>	<u>—</u>
Restricted cash and short-term investments ^{(1), (3)}	807	460	347	—
Long-term investments ⁽⁴⁾	147	147	—	—
Total	<u>\$ 8,694</u>	<u>\$ 1,532</u>	<u>\$ 7,162</u>	<u>\$ —</u>

⁽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, collateral associated with the payment of interest for the AAdvantage Financing and money market funds to be used to finance the cost of improvements at the Tulsa Maintenance Base. Restricted short-term investments mature in one year or less except for \$157 million as of June 30, 2025.

⁽⁴⁾ Long-term investments primarily include our equity investment in China Southern Airlines Company Limited (China Southern Airlines). 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. The fair value of the Convertible Notes, which would have been classified as Level 2, was \$1.0 billion and \$1.2 billion as of June 30, 2025 and December 31, 2024, respectively.

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

	June 30, 2025				
	Carrying Value	Fair Value			
		Total	Level 1	Level 2	Level 3
Long-term debt, including current maturities	\$ 29,219	\$ 29,270	\$ —	\$ 25,806	\$ 3,464

	December 31, 2024				
	Carrying Value	Fair Value			
		Total	Level 1	Level 2	Level 3
Long-term debt, including current maturities	\$ 29,813	\$ 30,010	\$ —	\$ 26,402	\$ 3,608

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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)	
		June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Republic Airways Holdings Inc.	Equity Method	25.0 %	25.0 %	\$ 267	\$ 253
China Southern Airlines	Fair Value	1.5 %	1.5 %	139	142
Other investments ⁽¹⁾	Various			117	120
Total				<u>\$ 523</u>	<u>\$ 515</u>

⁽¹⁾ Primarily includes our investment in JetSMART Holdings Limited, which is accounted for under the equity method.

9. Employee Benefit Plans

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

Three Months Ended June 30,	Pension Benefits		Retiree Medical and Other Postretirement Benefits	
	2025	2024	2025	2024
Service cost	\$ 1	\$ —	\$ 6	\$ 8
Interest cost	183	181	18	17
Expected return on assets	(232)	(244)	(2)	(2)
Amortization of:				
Prior service cost	—	—	4	3
Unrecognized net loss (gain)	24	27	(6)	(6)
Net periodic benefit cost (income)	<u>\$ (24)</u>	<u>\$ (36)</u>	<u>\$ 20</u>	<u>\$ 20</u>

Six Months Ended June 30,	Pension Benefits		Retiree Medical and Other Postretirement Benefits	
	2025	2024	2025	2024
Service cost	\$ 1	\$ 1	\$ 12	\$ 16
Interest cost	367	362	35	34
Expected return on assets	(464)	(489)	(5)	(5)
Amortization of:				
Prior service cost	—	—	9	7
Unrecognized net loss (gain)	47	54	(11)	(13)
Net periodic benefit cost (income)	<u>\$ (49)</u>	<u>\$ (72)</u>	<u>\$ 40</u>	<u>\$ 39</u>

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.

During the first six months of 2025, we made required contributions of \$223 million to our defined benefit pension plans.

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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	Income Tax Provision ⁽¹⁾	Total
Balance at December 31, 2024	\$ (2,959)	\$ (1,606)	\$ (4,565)
Amounts reclassified from AOCI	45	(10) ⁽²⁾	35
Net current-period other comprehensive income (loss)	45	(10)	35
Balance at June 30, 2025	<u>\$ (2,914)</u>	<u>\$ (1,616)</u>	<u>\$ (4,530)</u>

⁽¹⁾ Relates principally to pension, retiree medical and other postretirement benefits obligations that will not be recognized in net income 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 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 June 30,		Six Months Ended June 30,		
	2025	2024	2025	2024	
Amortization of pension, retiree medical and other postretirement benefits:					
Prior service cost	\$ 3	\$ 3	\$ 7	\$ 5	Nonoperating other income (expense), net
Actuarial loss	14	16	28	32	Nonoperating other income (expense), net
Total reclassifications for the period, net of tax	<u>\$ 17</u>	<u>\$ 19</u>	<u>\$ 35</u>	<u>\$ 37</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 principally 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 June 30, 2025 and 2024 include \$81 million and \$79 million of depreciation and amortization, respectively, and each includes \$2 million of aircraft rent. Regional expenses for the six months ended June 30, 2025 and 2024 include \$160 million and \$158 million of depreciation and amortization, respectively, and \$5 million and \$4 million of aircraft rent, respectively.

During the three months ended June 30, 2025 and 2024, we recognized \$174 million and \$150 million, respectively, of expense under our capacity purchase agreement with Republic Airways Inc. (Republic). During the six months ended June 30, 2025 and 2024, we recognized \$342 million and \$299 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.

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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 AAG and JetBlue Airways Corporation (JetBlue) in the U.S. District Court for the District of Massachusetts alleging that AAG and JetBlue violated U.S. antitrust law in connection with the previously disclosed Northeast Alliance arrangement (NEA). On May 19, 2023, the U.S. District Court for the District of Massachusetts issued an order permanently enjoining AAG and JetBlue from continuing and further implementing the NEA. Following JetBlue's notice of termination of the NEA, effective July 29, 2023, the airlines conducted a wind-down of the NEA. AAG filed a notice of appeal to the U.S. Court of Appeals for the First Circuit on September 25, 2023. The First Circuit affirmed the District Court's decision on November 8, 2024. AAG filed a petition for writ of certiorari to the U.S. Supreme Court on February 27, 2025. On June 30, 2025, the U.S. Supreme Court denied the petition for writ of certiorari.

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 AAG and JetBlue in the U.S. District Court for the Eastern District of New York alleging that AAG 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 AAG 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, AAG 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, AAG, together with JetBlue, filed a motion to dismiss the third amended complaint. In September 2024, the court denied that motion. AAG and JetBlue filed answers to the private party plaintiffs' third amended complaint in October 2024, and the parties are now engaged in discovery. We believe these lawsuits are without merit and are defending against them vigorously.

Securities and Stockholder Derivative Litigation. On July 18, 2024, AAG and certain of its current and former officers were named as defendants in a putative class action lawsuit filed in the U.S. District Court for the Northern District of Texas, captioned *Qawasmī v. American Airlines Group Inc., et al.* The *Qawasmī* plaintiff purports to represent investors who acquired AAG securities between January 25, 2024 and May 28, 2024. On August 28, 2024, AAG and certain of its current and former officers were named as defendants in a second putative class action lawsuit filed in the same court, captioned *Thornburg v. American Airlines Group Inc., et al.* The *Thornburg* plaintiff purports to represent investors who acquired AAG securities between July 20, 2023 and May 28, 2024. Both the *Qawasmī* and *Thornburg* complaints assert violations of Sections 10(b) and 20(a) of the Exchange Act based on allegations that, during the relevant periods, AAG misrepresented and/or omitted material facts related to its financial outlook and certain commercial initiatives. On September 16, 2024, certain purported AAG investors moved for consolidation of the *Qawasmī* and *Thornburg* actions as well as appointment as lead plaintiff. On November 22, 2024, the *Qawasmī* and *Thornburg* complaints were consolidated into a single action bearing the caption *In re American Airlines Group Inc. Securities Litigation*. The court also appointed co-lead plaintiffs and lead counsel to represent the putative class in the consolidated action. Plaintiffs filed a consolidated complaint on January 21, 2025, and an amended consolidated complaint on March 19, 2025. The consolidated complaint makes similar factual allegations to the prior complaints regarding AAG's financial outlook and certain commercial initiatives. AAG and the individual defendants filed a joint motion to dismiss on March 21, 2025 that was fully submitted on May 23, 2025. That motion is currently pending.

Additionally, on September 19, 2024, certain of AAG's current and former directors and officers were named as defendants in a shareholder derivative lawsuit (in which AAG is a nominal defendant) filed in the U.S. District Court for the Northern District of Texas, captioned *Hollin v. Isom, et al.* The *Hollin* complaint asserts violations of Section 10(b) of the Exchange Act, breach of fiduciary duty, and claims for unjust enrichment and corporate waste. On September 26, 2024, a second derivative complaint was filed in the same court, similarly naming certain of AAG's current and former directors and officers (as well as AAG as a nominal defendant), captioned *Leon v. Isom, et al.* The *Leon* complaint asserts violations of Section 14(a) of the Exchange Act, breaches of fiduciary duty, claims of unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and a claim for contribution. The *Hollin* and *Leon* complaints generally allege the same purported misconduct as alleged in the securities class actions. On November 25, 2024, the *Hollin* and *Leon* complaints were consolidated into a single action bearing the caption *In re American Airlines Group Inc. Stockholder Derivative Action*. The derivative actions are currently stayed pending resolution of the securities class action. We believe

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both the securities class action and shareholder derivative lawsuit are without merit and intend to defend 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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating revenues:				
Passenger	\$ 13,123	\$ 13,202	\$ 24,514	\$ 24,661
Cargo	211	195	400	382
Other	1,056	936	2,026	1,859
Total operating revenues	14,390	14,333	26,940	26,902
Operating expenses:				
Aircraft fuel and related taxes	2,663	3,061	5,250	6,042
Salaries, wages and benefits	4,379	3,950	8,599	7,816
Regional expenses	1,325	1,260	2,674	2,457
Maintenance, materials and repairs	927	950	1,848	1,834
Other rent and landing fees	894	834	1,720	1,653
Aircraft rent	303	314	600	642
Selling expenses	535	456	985	864
Depreciation and amortization	475	472	941	939
Special items, net	47	—	118	70
Other	1,700	1,642	3,330	3,178
Total operating expenses	13,248	12,939	26,065	25,495
Operating income	1,142	1,394	875	1,407
Nonoperating income (expense):				
Interest income	247	275	483	537
Interest expense, net	(440)	(511)	(893)	(1,031)
Other income (expense), net	36	2	(8)	(39)
Total nonoperating expense, net	(157)	(234)	(418)	(533)
Income before income taxes	985	1,160	457	874
Income tax provision	267	367	123	297
Net income	\$ 718	\$ 793	\$ 334	\$ 577

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 718	\$ 793	\$ 334	\$ 577
Other comprehensive income (loss), net of tax:				
Pension, retiree medical and other postretirement benefits	17	19	35	37
Investments	—	—	—	(1)
Total other comprehensive income, net of tax	17	19	35	36
Total comprehensive income	\$ 735	\$ 812	\$ 369	\$ 613

See accompanying notes to condensed consolidated financial statements.

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

	June 30, 2025 (Unaudited)	December 31, 2024
ASSETS		
Current assets		
Cash	\$ 824	\$ 795
Short-term investments	7,737	6,177
Restricted cash and short-term investments	807	732
Accounts receivable, net	2,022	1,977
Receivables from related parties, net	8,570	8,187
Aircraft fuel, spare parts and supplies, net	2,594	2,476
Prepaid expenses and other	741	675
Total current assets	23,295	21,019
Operating property and equipment		
Flight equipment	43,862	43,158
Ground property and equipment	9,791	9,709
Equipment purchase deposits	976	1,012
Total property and equipment, at cost	54,629	53,879
Less accumulated depreciation and amortization	(23,745)	(23,060)
Total property and equipment, net	30,884	30,819
Operating lease right-of-use assets		
	7,431	7,274
Other assets		
Goodwill	4,091	4,091
Intangibles, net of accumulated amortization of \$845 and \$841, respectively	2,040	2,044
Deferred tax asset	1,935	2,068
Other assets	1,231	1,440
Total other assets	9,297	9,643
Total assets	\$ 70,907	\$ 68,755
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Current maturities of long-term debt and finance leases	\$ 3,602	\$ 4,326
Accounts payable	3,037	2,372
Accrued salaries and wages	1,747	1,995
Air traffic liability	8,240	6,759
Loyalty program liability	3,666	3,556
Operating lease liabilities	1,110	1,082
Other accrued liabilities	2,938	2,812
Total current liabilities	24,340	22,902
Noncurrent liabilities		
Long-term debt and finance leases, net of current maturities	21,532	21,410
Pension and postretirement benefits	1,803	2,115
Loyalty program liability	6,805	6,498
Operating lease liabilities	6,152	5,926
Other liabilities	1,633	1,670
Total noncurrent liabilities	37,925	37,619
Commitments and contingencies		
Stockholder's equity		
Common stock, \$1.00 par value; 1,000 shares authorized, issued and outstanding	—	—
Additional paid-in capital	17,447	17,408
Accumulated other comprehensive loss	(4,642)	(4,677)
Retained deficit	(4,163)	(4,497)
Total stockholder's equity	8,642	8,234
Total liabilities and stockholder's equity	\$ 70,907	\$ 68,755

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2025	2024
Net cash provided by operating activities	\$ 3,292	\$ 3,262
Cash flows from investing activities:		
Capital expenditures and aircraft purchase deposits	(1,292)	(1,449)
Proceeds from sale-leaseback transactions and sale of property and equipment	200	353
Purchases of short-term investments	(4,680)	(4,712)
Sales of short-term investments	3,119	3,881
Decrease (increase) in restricted short-term investments	(73)	68
Other investing activities	280	(5)
Net cash used in investing activities	(2,446)	(1,864)
Cash flows from financing activities:		
Payments on long-term debt and finance leases	(2,364)	(1,831)
Proceeds from issuance of long-term debt	1,659	527
Other financing activities	(112)	(34)
Net cash used in financing activities	(817)	(1,338)
Net increase in cash and restricted cash	29	60
Cash and restricted cash at beginning of period	893	670
Cash and restricted cash at end of period ⁽¹⁾	\$ 922	\$ 730
Non-cash transactions:		
Right-of-use (ROU) assets acquired through operating leases	\$ 683	\$ 626
Property and equipment acquired through finance leases and other	90	158
Operating leases converted to finance leases	83	130
Finance leases converted to operating leases	45	30
Supplemental information:		
Interest paid, net	780	918
Income taxes paid	10	6

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

Cash	\$ 824	\$ 595
Restricted cash included in restricted cash and short-term investments	98	135
Total cash and restricted cash	\$ 922	\$ 730

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, 2024	\$ —	\$ 17,408	\$ (4,677)	\$ (4,497)	\$ 8,234
Net loss	—	—	—	(384)	(384)
Other comprehensive income, net	—	—	18	—	18
Share-based compensation expense	—	15	—	—	15
Intercompany equity transfer	—	1	—	—	1
Balance at March 31, 2025	—	17,424	(4,659)	(4,881)	7,884
Net income	—	—	—	718	718
Other comprehensive income, net	—	—	17	—	17
Share-based compensation expense	—	22	—	—	22
Intercompany equity transfer	—	1	—	—	1
Balance at June 30, 2025	<u>\$ —</u>	<u>\$ 17,447</u>	<u>\$ (4,642)</u>	<u>\$ (4,163)</u>	<u>\$ 8,642</u>

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Total
Balance at December 31, 2023	\$ —	\$ 17,335	\$ (4,999)	\$ (5,759)	\$ 6,577
Net loss	—	—	—	(216)	(216)
Other comprehensive income, net	—	—	17	—	17
Share-based compensation expense	—	27	—	—	27
Modification of share-based awards	—	(20)	—	—	(20)
Intercompany equity transfer	—	1	—	—	1
Balance at March 31, 2024	—	17,343	(4,982)	(5,975)	6,386
Net income	—	—	—	793	793
Other comprehensive income, net	—	—	19	—	19
Share-based compensation expense	—	20	—	—	20
Intercompany equity transfer	—	1	—	—	1
Balance at June 30, 2024	<u>\$ —</u>	<u>\$ 17,364</u>	<u>\$ (4,963)</u>	<u>\$ (5,182)</u>	<u>\$ 7,219</u>

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, 2024. 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) Operating Property and Equipment

Effective January 1, 2025, American adjusted the estimated useful lives of its mainline and regional aircraft, engines and related rotatable parts by three years to align with the extended lives of aircraft included in American's long-term fleet plan. In conjunction with this change, American also reduced the salvage values for most of these assets from 10% to 5% of original cost to more closely reflect the estimated value at the end of the useful life. Accordingly, the estimated useful lives for the principal property and equipment classification are as follows:

<u>Principal Property and Equipment Classification</u>	<u>Estimated Useful Life</u>
Aircraft, engines and related rotatable parts	20 – 33 years

The effect of these changes did not have a material impact to depreciation and amortization expense in the condensed consolidated statement of operations for the three and six months ended June 30, 2025.

(c) Construction Projects

American's improvements to the overhaul and maintenance base at Tulsa International Airport (Tulsa Maintenance Base) include the design, construction and renovation of various facilities at the Tulsa Maintenance Base. The Tulsa Maintenance Base is American's largest maintenance facility and is an integral part of operating its mainline fleet. American has concluded that it does not control the underlying assets being constructed, and therefore, it recognizes operating lease liabilities with corresponding right-of-use assets on the condensed consolidated balance sheet as individual project stages are completed and leases commence.

In May 2025, the Tulsa Municipal Airport Trust (TMAT) issued \$400 million aggregate principal amount of special facility revenue bonds on behalf of American, with \$300 million maturing on December 1, 2035 and \$100 million maturing on December 1, 2040 (collectively, the 2025 TMAT Bonds). The 2025 TMAT Bond due December 1, 2035 was priced at 109% of par value and the 2025 TMAT Bond due December 1, 2040 was priced at 107% of par value. The gross proceeds from the issuance of the 2025 TMAT Bonds were approximately \$432 million. Of this amount, \$104 million was used to fund the redemption of the aggregate principal amount of TMAT's outstanding 2015 special facility revenue bonds (the 2015 TMAT Bonds) and the remaining \$328 million will be used to finance the cost of improvements at the Tulsa Maintenance Base. The net proceeds received from the 2025 TMAT Bonds, offset by related project spend, are reflected within other investing activities in the condensed consolidated statement of cash flows.

The 2025 TMAT Bonds bear interest at 6.25% per annum commencing on May 8, 2025, until the day preceding the applicable maturity date, on which date the bonds will be subject to mandatory tender for purchase by American. American is required to pay rent equal to the annual principal and interest requirement on the 2025 TMAT Bonds through payments under a sublease agreement with TMAT (as amended), and AAG guarantees the 2025 TMAT Bonds. American's obligations under both the sublease agreement with TMAT and the 2025 TMAT Bonds are secured by a leasehold mortgage on American's lease of the Tulsa Maintenance Base.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, 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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Litigation reserve adjustments	\$ 47	\$ —	\$ 77	\$ —
Labor contract expenses ⁽¹⁾	—	—	31	57
Severance expenses	—	—	5	13
Other operating special items, net	—	—	5	—
Mainline operating special items, net	47	—	118	70
Debt refinancing, extinguishment and other, net	(2)	7	17	7
Mark-to-market adjustments on equity investments, net ⁽²⁾	(14)	5	15	51
Nonoperating special items, net	(16)	12	32	58

⁽¹⁾ Labor contract expenses for the six months ended June 30, 2025 included a one-time charge for adjustments to vacation accruals resulting from pay rate increases effective January 1, 2025, related to the ratification of the contract extension in the fourth quarter of 2024 with American's mainline maintenance and fleet service team members.

Labor contract expenses for the six months ended June 30, 2024 included one-time charges resulting from the ratification of a new collective bargaining agreement with American's mainline passenger service team members, including a one-time signing bonus.

⁽²⁾ 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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Passenger revenue:				
Passenger travel	\$ 12,126	\$ 12,212	\$ 22,601	\$ 22,795
Loyalty revenue - travel ⁽¹⁾	997	990	1,913	1,866
Total passenger revenue	13,123	13,202	24,514	24,661
Cargo	211	195	400	382
Other:				
Loyalty revenue - marketing services	912	799	1,735	1,585
Other revenue	144	137	291	274
Total other revenue	1,056	936	2,026	1,859
Total operating revenues	\$ 14,390	\$ 14,333	\$ 26,940	\$ 26,902

⁽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.

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Domestic	\$ 9,159	\$ 9,342	\$ 17,286	\$ 17,604
Latin America	1,550	1,562	3,455	3,464
Atlantic	2,086	2,019	3,052	3,012
Pacific	328	279	721	581
Total passenger revenue	\$ 13,123	\$ 13,202	\$ 24,514	\$ 24,661

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

Contract Balances

American's significant contract liabilities are comprised of (1) outstanding loyalty program mileage credits that may be redeemed for future air travel, non-air travel and other 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.

	June 30, 2025	December 31, 2024
	(In millions)	
Loyalty program liability	\$ 10,471	\$ 10,054
Air traffic liability	8,240	6,759
Total	\$ 18,711	\$ 16,813

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, 2024	\$ 10,054
Deferral of revenue	2,278
Recognition of revenue ⁽¹⁾	(1,861)
Balance at June 30, 2025 ⁽²⁾	\$ 10,471

⁽¹⁾ Principally relates to revenue recognized from the redemption of mileage credits for air travel, non-air travel and other 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 the 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 June 30, 2025, American's current loyalty program liability was \$3.7 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 generally one year. Accordingly, any revenue associated with tickets sold for future travel will be recognized within 12 months. For the six months ended June 30, 2025, \$4.8 billion of revenue was recognized in passenger revenue that was included in American's air traffic liability at December 31, 2024.

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):

	June 30, 2025	December 31, 2024
Secured		
2013 Term Loan Facility, variable interest rate of 6.50%, installments until due in February 2028	\$ 970	\$ 980
2014 Term Loan Facility, variable interest rate of 5.98%, installments until due in January 2027	1,159	1,171
2023 Term Loan Facility, variable interest rate of 6.51%, installments until due in June 2029	1,089	1,089
10.75% senior secured IP notes, interest only payments until due in February 2026	524	781
10.75% senior secured LGA/DCA notes, interest only payments until due in February 2026	105	156
7.25% senior secured notes, interest only payments until due in February 2028	750	750
8.50% senior secured notes, interest only payments until due in May 2029	1,000	1,000
5.50% senior secured notes, installments until due in April 2026 ⁽¹⁾	1,167	1,750
5.75% senior secured notes, installments beginning in July 2026 until due in April 2029 ⁽¹⁾	3,000	3,000
2021 AAdvantage Term Loan Facility, variable interest rate of 6.52%, installments until due in April 2028	2,275	2,450
2025 AAdvantage Term Loan Facility, variable interest rate of 7.58%, installments beginning in July 2025 until due in May 2032 ⁽¹⁾	1,000	—
Enhanced equipment trust certificates (EETCs), fixed interest rates ranging from 2.88% to 7.15%, averaging 3.79%, maturing from 2025 to 2034	6,364	7,271
Equipment loans and other notes payable, fixed and variable interest rates ranging from 2.55% to 6.89%, averaging 6.03%, maturing from 2025 to 2037	4,522	4,094
Special facility revenue bonds, fixed interest rates ranging from 2.25% to 5.38%, maturing from 2026 to 2036	880	880
Total long-term debt	24,805	25,372
Less: Total unamortized debt discount, premium and issuance costs	330	300
Less: Current maturities	3,514	4,196
Long-term debt, net of current maturities	\$ 20,961	\$ 20,876

⁽¹⁾ Collectively referred to as the AAdvantage Financing.

As of June 30, 2025, the maximum availability under American's revolving credit and other facilities is as follows (in millions):

2013 Revolving Facility ⁽¹⁾	\$ 519
2014 Revolving Facility ⁽¹⁾	1,557
2023 Revolving Facility ⁽¹⁾	924
Other facilities ⁽²⁾	400
Total	\$ 3,400

⁽¹⁾ On April 21, 2025, the aggregate revolving commitments under the 2013, 2014 and 2023 Revolving Facilities were increased from \$2.9 billion to \$3.0 billion upon the upsize of commitments by certain existing lenders. No other terms were changed and there are no borrowings outstanding under the facilities.

⁽²⁾ Includes a revolving credit facility that provides for borrowing capacity of up to \$350 million, maturing in March 2027 with an option to extend for an additional year. Additionally, American currently has \$50 million of available borrowing base under a cargo receivables facility that is set to expire in December 2025. There are no amounts drawn under these facilities.

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

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

AAdvantage Term Loan Facilities

On March 24, 2025, American and AAdvantage Loyalty IP Ltd. (the Borrowers) entered into a second amendment to the term loan credit and guaranty agreement dated March 24, 2021 (the Second Amendment). As a result of the Second Amendment, the term loans outstanding with a principal amount of approximately \$2.3 billion (the 2021 AAdvantage Term Loan Facility) were replaced with new term loans in the same principal amount. The terms of the new term loans are substantially similar to the prior term loans; however, the new term loans bear interest at a base rate (subject to a floor of 0.00%) plus an applicable margin of 1.25% per annum or, at the Borrowers' option, the Secured Overnight Financing Rate (SOFR) for a tenor of three months (subject to a floor of 0.00%), plus an applicable margin of 2.25% per annum. Additionally, the scheduled quarterly principal amortization amount was reduced to 0.25% of the principal amount of term loans outstanding as of March 24, 2025 (approximately \$6 million each quarter), payable beginning in July 2025, and the remaining balance is due at maturity in April 2028. Pursuant to the Second Amendment, the new term loans are not subject to a cost spread adjustment.

On May 28, 2025, the Borrowers entered into a third amendment to the term loan credit and guaranty agreement dated March 24, 2021 (the Third Amendment). As a result of the Third Amendment, the Borrowers incurred \$1.0 billion of incremental term loans (the 2025 AAdvantage Term Loan Facility) due on May 28, 2032. The terms of the 2025 AAdvantage Term Loan Facility are substantially similar to the 2021 AAdvantage Term Loan Facility; however, the 2025 AAdvantage Term Loan Facility bears interest at a base rate (subject to a floor of 0.00%) plus an applicable margin of 2.25% per annum or, at the Borrowers' option, the SOFR rate for a tenor of three months (subject to a floor of 0.00%), plus an applicable margin of 3.25% per annum. Additionally, the scheduled quarterly principal amortization amount is equal to 0.25% of the original aggregate principal amount of the 2025 AAdvantage Term Loan Facility (approximately \$3 million each quarter), payable beginning in July 2025, and the remaining balance is due at maturity in May 2032. Pursuant to the Third Amendment, the 2025 AAdvantage Term Loan Facility is not subject to a cost spread adjustment. The net proceeds from the 2025 AAdvantage Term Loan Facility were used to repay near term maturities, including the 6.50% convertible senior notes described in Note 5 to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A.

Equipment Loans and Other Notes Payable Issued in 2025

During the first six months of 2025, American entered into agreements under which it borrowed \$712 million in connection with the financing of certain aircraft. Debt incurred under these agreements matures in 2036 through 2037 and bears interest at variable rates (comprised of SOFR plus an applicable margin) averaging 6.29% as of June 30, 2025.

Other Financing Activities

During the first six months of 2025, American prepaid \$487 million of the outstanding principal amounts of equipment notes issued under EETCs, and these amounts were applied to repay the related trust certificates. Additionally, American prepaid \$308 million toward portions of the outstanding principal amounts of the 10.75% senior secured IP notes and 10.75% senior secured LGA/DCA notes.

5. Income Taxes

At December 31, 2024, American had approximately \$12.8 billion of gross federal net operating losses (NOLs) and \$4.2 billion of other carryforwards available to reduce future federal taxable income, of which \$2.9 billion will expire beginning in 2033 if unused and \$14.1 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 \$5.0 billion of NOL carryforwards to reduce future state taxable income at December 31, 2024, which will expire in taxable years 2024 through 2044 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 its NOLs and other carryforwards, 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

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

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.

American has historically calculated the provision for income taxes during interim reporting periods by applying an estimate of the annual effective tax rate for the full year to income or loss for the reporting period. American has changed to use the discrete method to calculate taxes for the three and six months ended June 30, 2025. At this time, American believes that the use of the discrete method for the three and six months ended June 30, 2025 is more appropriate than the estimated annual effective tax rate method due to the fact that small changes in projected full year income could cause material fluctuations in American's annual effective tax rate applied during each quarter.

During the three and six months ended June 30, 2025, American recorded an income tax provision of \$267 million and \$123 million, respectively, which was substantially non-cash due to the utilization of the NOLs described above. Substantially all of American's income before income taxes is attributable to the United States.

On July 4, 2025, H.R. 1, the "One Big Beautiful Bill Act" (the OBBBA) was signed into law in the U.S. Among other changes, the OBBBA modifies key business tax provisions, including by restoring 100% bonus depreciation under Section 168(k), reverting to the higher, EBITDA-based, business interest expense limitation under Section 163(j) and changing the computation of taxes related to international operations. Based on American's current analysis of these provisions, American does not believe these provisions will have a material impact on its consolidated financial statements.

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 six months ended June 30, 2025.

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

	Fair Value Measurements as of June 30, 2025			
	Total	Level 1	Level 2	Level 3
Short-term investments ^{(1), (2)} :				
Money market funds	\$ 923	\$ 923	\$ —	\$ —
Corporate obligations	4,570	—	4,570	—
Bank notes/certificates of deposit/time deposits	1,744	—	1,744	—
Repurchase agreements	500	—	500	—
	7,737	923	6,814	—
Restricted cash and short-term investments ^{(1), (3)}	807	460	347	—
Long-term investments ⁽⁴⁾	147	147	—	—
Total	\$ 8,691	\$ 1,530	\$ 7,161	\$ —

⁽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, collateral associated with the payment of interest for the AAdvantage Financing and money market funds to be used to finance the cost of improvements at the Tulsa Maintenance Base. Restricted short-term investments mature in one year or less except for \$157 million as of June 30, 2025.

⁽⁴⁾ Long-term investments primarily include American's equity investment in China Southern Airlines Company Limited (China Southern Airlines). See Note 7 for further information on American's equity investments.

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

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.

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

	June 30, 2025				
	Carrying Value	Fair Value			
		Total	Level 1	Level 2	Level 3
Long-term debt, including current maturities	\$ 24,475	\$ 24,806	\$ —	\$ 24,806	\$ —

	December 31, 2024				
	Carrying Value	Fair Value			
		Total	Level 1	Level 2	Level 3
Long-term debt, including current maturities	\$ 25,072	\$ 25,234	\$ —	\$ 25,234	\$ —

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)	
		June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Republic Airways Holdings Inc.	Equity Method	25.0 %	25.0 %	\$ 267	\$ 253
China Southern Airlines	Fair Value	1.5 %	1.5 %	139	142
Other investments ⁽¹⁾	Various			117	120
Total				\$ 523	\$ 515

⁽¹⁾ Primarily includes American's investment in JetSMART Holdings Limited, which is accounted for under the equity method.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
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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 June 30,	Pension Benefits		Retiree Medical and Other Postretirement Benefits	
	2025	2024	2025	2024
Service cost	\$ 1	\$ —	\$ 6	\$ 8
Interest cost	182	180	18	17
Expected return on assets	(231)	(243)	(2)	(2)
Amortization of:				
Prior service cost	—	—	4	3
Unrecognized net loss (gain)	24	27	(6)	(6)
Net periodic benefit cost (income)	<u>\$ (24)</u>	<u>\$ (36)</u>	<u>\$ 20</u>	<u>\$ 20</u>

Six Months Ended June 30,	Pension Benefits		Retiree Medical and Other Postretirement Benefits	
	2025	2024	2025	2024
Service cost	\$ 1	\$ 1	\$ 12	\$ 16
Interest cost	364	360	35	34
Expected return on assets	(460)	(487)	(5)	(5)
Amortization of:				
Prior service cost	—	—	9	7
Unrecognized net loss (gain)	47	54	(11)	(13)
Net periodic benefit cost (income)	<u>\$ (48)</u>	<u>\$ (72)</u>	<u>\$ 40</u>	<u>\$ 39</u>

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.

During the first six months of 2025, American made required contributions of \$221 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	Income Tax Provision ⁽¹⁾	Total
Balance at December 31, 2024	\$ (2,962)	\$ (1,715)	\$ (4,677)
Amounts reclassified from AOCI	45	(10) ⁽²⁾	35
Net current-period other comprehensive income (loss)	45	(10)	35
Balance at June 30, 2025	<u>\$ (2,917)</u>	<u>\$ (1,725)</u>	<u>\$ (4,642)</u>

⁽¹⁾ Relates principally to pension, retiree medical and other postretirement benefits obligations that will not be recognized in net income 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 on the condensed consolidated statements of operations.

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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 June 30,		Six Months Ended June 30,		
	2025	2024	2025	2024	
Amortization of pension, retiree medical and other postretirement benefits:					
Prior service cost	\$ 3	\$ 3	\$ 7	\$ 5	Nonoperating other income (expense), net
Actuarial loss	14	16	28	32	Nonoperating other income (expense), net
Total reclassifications for the period, net of tax	<u>\$ 17</u>	<u>\$ 19</u>	<u>\$ 35</u>	<u>\$ 37</u>	

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 principally 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 June 30, 2025 and 2024 include \$72 million and \$69 million of depreciation and amortization, respectively, and each includes \$2 million of aircraft rent. Regional expenses for the six months ended June 30, 2025 and 2024 include \$141 million and \$138 million of depreciation and amortization, respectively, and \$5 million and \$4 million of aircraft rent, respectively.

During the three months ended June 30, 2025 and 2024, American recognized \$174 million and \$150 million, respectively, of expense under its capacity purchase agreement with Republic Airways Inc. (Republic). During the six months ended June 30, 2025 and 2024, American recognized \$342 million and \$299 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):

	June 30, 2025	December 31, 2024
AAG	\$ 10,622	\$ 10,258
AAG's wholly-owned subsidiaries ⁽¹⁾	(2,052)	(2,071)
Total	<u>\$ 8,570</u>	<u>\$ 8,187</u>

⁽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.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, 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 AAG and JetBlue Airways Corporation (JetBlue) in the U.S. District Court for the District of Massachusetts alleging that AAG and JetBlue violated U.S. antitrust law in connection with the previously disclosed Northeast Alliance arrangement (NEA). On May 19, 2023, the U.S. District Court for the District of Massachusetts issued an order permanently enjoining AAG and JetBlue from continuing and further implementing the NEA. Following JetBlue's notice of termination of the NEA, effective July 29, 2023, the airlines conducted a wind-down of the NEA. AAG filed a notice of appeal to the U.S. Court of Appeals for the First Circuit on September 25, 2023. The First Circuit affirmed the District Court's decision on November 8, 2024. AAG filed a petition for writ of certiorari to the U.S. Supreme Court on February 27, 2025. On June 30, 2025, the U.S. Supreme Court denied the petition for writ of certiorari.

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 AAG and JetBlue in the U.S. District Court for the Eastern District of New York alleging that AAG 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 AAG 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, AAG 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, AAG, together with JetBlue, filed a motion to dismiss the third amended complaint. In September 2024, the court denied that motion. AAG and JetBlue filed answers to the private party plaintiffs' third amended complaint in October 2024, and the parties are now engaged in discovery. AAG believes these lawsuits are without merit and is defending against them vigorously.

Securities and Stockholder Derivative Litigation. On July 18, 2024, AAG and certain of its current and former officers were named as defendants in a putative class action lawsuit filed in the U.S. District Court for the Northern District of Texas, captioned *Qawasmī v. American Airlines Group Inc., et al.* The *Qawasmī* plaintiff purports to represent investors who acquired AAG securities between January 25, 2024 and May 28, 2024. On August 28, 2024, AAG and certain of its current and former officers were named as defendants in a second putative class action lawsuit filed in the same court, captioned *Thornburg v. American Airlines Group Inc., et al.* The *Thornburg* plaintiff purports to represent investors who acquired AAG securities between July 20, 2023 and May 28, 2024. Both the *Qawasmī* and *Thornburg* complaints assert violations of Sections 10(b) and 20(a) of the Exchange Act based on allegations that, during the relevant periods, AAG misrepresented and/or omitted material facts related to its financial outlook and certain commercial initiatives. On September 16, 2024, certain purported AAG investors moved for consolidation of the *Qawasmī* and *Thornburg* actions as well as appointment as lead plaintiff. On November 22, 2024, the *Qawasmī* and *Thornburg* complaints were consolidated into a single action bearing the caption *In re American Airlines Group Inc. Securities Litigation*. The court also appointed co-lead plaintiffs and lead counsel to represent the putative class in the consolidated action. Plaintiffs filed a consolidated complaint on January 21, 2025, and an amended consolidated complaint on March 19, 2025. The consolidated complaint makes similar factual allegations to the prior complaints regarding AAG's financial outlook and certain commercial initiatives. AAG and the individual defendants filed a joint motion to dismiss on March 21, 2025 that was fully submitted on May 23, 2025. That motion is currently pending.

Additionally, on September 19, 2024, certain of AAG's current and former directors and officers were named as defendants in a shareholder derivative lawsuit (in which AAG is a nominal defendant) filed in the U.S. District Court for the Northern District of Texas, captioned *Hollin v. Isom, et al.* The *Hollin* complaint asserts violations of Section 10(b) of the Exchange Act, breach of fiduciary duty, and claims for unjust enrichment and corporate waste. On September 26, 2024, a second derivative complaint was filed in the same court, similarly naming certain of AAG's current and former directors and officers (as well as AAG as a nominal defendant), captioned *Leon v. Isom, et al.* The *Leon* complaint asserts violations of Section 14(a) of the Exchange Act, breaches of fiduciary duty, claims of unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and a claim for contribution. The *Hollin* and *Leon* complaints generally allege the same purported misconduct as alleged in the securities class actions. On November 25, 2024, the *Hollin* and *Leon* complaints were consolidated into a single action bearing the caption *In re American Airlines Group Inc. Stockholder Derivative Action*. The derivative actions are currently stayed pending resolution of the securities class action. AAG

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
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believes both the securities class action and shareholder derivative lawsuit are without merit and intends to defend 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, 2024 (the 2024 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 2024 Form 10-K.

Financial Overview

Business and Macroeconomic Conditions

Starting in the first quarter of 2025, the U.S. Government has promoted and implemented plans to place additional tariffs on goods imported into the U.S. from numerous countries and has pursued other trade policies intended to restrict imports and, in response, multiple nations have countered with reciprocal tariffs and other actions.

These or additional changes in U.S. or international trade policies, along with continued uncertainty surrounding such policies, could lead to further weakened business conditions for the transportation industry, which may adversely impact our operations through increased supply chain challenges, commodity price volatility and a decline in discretionary spending and consumer confidence, among others. We continue to monitor the situation.

AAG's Second Quarter 2025 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 June 30,		Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
	(In millions, except percentage changes)			
Passenger revenue	\$ 13,123	\$ 13,202	\$ (79)	(0.6)
Cargo revenue	211	195	16	8.2
Other operating revenue	1,058	937	121	13.0
Total operating revenues	14,392	14,334	58	0.4
Aircraft fuel and related taxes	2,663	3,061	(398)	(13.0)
Salaries, wages and benefits	4,382	3,953	429	10.9
Total operating expenses	13,257	12,950	307	2.4
Operating income	1,135	1,384	(249)	(18.0)
Pre-tax income	838	1,028	(190)	(18.5)
Income tax provision	239	311	(72)	(23.4)
Net income	599	717	(118)	(16.4)
Pre-tax income – GAAP	\$ 838	\$ 1,028	\$ (190)	(18.5)
Adjusted for: pre-tax net special items ⁽¹⁾	31	12	19	nm ⁽²⁾
Pre-tax income excluding net special items	\$ 869	\$ 1,040	\$ (171)	(16.4)

⁽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 and Net Income

Pre-tax income and net income were \$838 million and \$599 million, respectively, in the second quarter of 2025. This compares to second quarter of 2024 pre-tax income and net income of \$1.0 billion and \$717 million, respectively. Excluding the effects of pre-tax net special items, pre-tax income was \$869 million and \$1.0 billion in the second quarters of 2025 and 2024, respectively.

The period-over-period decrease in our pre-tax income on both a GAAP basis and excluding pre-tax net special items was principally driven by increases in operating expenses including salaries, wages and benefits and selling expenses, offset in part by lower costs for aircraft fuel and related taxes.

Revenue

In the second quarter of 2025, we reported total operating revenues of \$14.4 billion, an increase of \$58 million, or 0.4%, from the second quarter of 2024. Passenger revenue was \$13.1 billion, a decrease of \$79 million, or 0.6%, in the second quarter of 2025 from the second quarter of 2024. Our passenger revenue in the second quarter of 2025 was impacted by softness in domestic demand for air travel, offset in part by continued strength in international air travel, particularly in the Atlantic region. Atlantic PRASM increased 5.0% in the second quarter of 2025 as compared to the second quarter of 2024.

Cargo revenue increased \$16 million, or 8.2%, in the second quarter of 2025 from the second quarter of 2024, primarily due to a 6.9% increase in cargo yield and a 1.2% increase in cargo ton miles.

Other operating revenue increased \$121 million, or 13.0%, in the second quarter of 2025 from the second quarter of 2024, driven primarily by higher revenue associated with our loyalty program. During the three months ended June 30, 2025 and 2024, cash payments from co-branded credit card and other partners were \$1.41 billion and \$1.36 billion, respectively.

Our total revenue per available seat mile (TRASM) was 18.54 cents in the second quarter of 2025, a 2.7% decrease as compared to 19.05 cents in the second quarter of 2024.

Fuel

Aircraft fuel and related taxes was \$2.7 billion in the second quarter of 2025, which was \$398 million, or 13.0%, lower as compared to the second quarter of 2024. This was primarily due to a 15.3% decrease in the average price per gallon of aircraft fuel including related taxes to \$2.29 in the second quarter of 2025 from \$2.70 in the second quarter of 2024, offset in part by a 2.7% increase in gallons of fuel consumed due to increased capacity.

As of June 30, 2025, 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 this 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. See Part I, Item 1A. Risk Factors – *“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”* in our 2024 Form 10-K.

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. Additionally, we continue to focus on initiatives to reengineer our business through the use of digital solutions, process enhancements and procurement transformation and we intend to continue to invest in reengineering our business through the remainder of 2025 and beyond to build an even more efficient airline and continue to manage costs while delivering a better experience for our customers and team.

Our 2025 second quarter total operating cost per available seat mile (CASM) was 17.08 cents, a decrease of 0.8% from 17.21 cents in the second quarter of 2024. The decrease in CASM was primarily driven by lower aircraft fuel costs, offset in part by higher costs for salaries, wages and benefits and selling expenses.

Our 2025 second quarter CASM excluding net special items and fuel was 13.59 cents, an increase of 3.4% from 13.14 cents in the second quarter of 2024, which was primarily driven by higher costs for salaries, wages and benefits and selling expenses.

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 June 30, 2025, we had \$12.0 billion in total available liquidity, consisting of \$8.6 billion in unrestricted cash and short-term investments, and \$3.4 billion in total undrawn capacity under revolving credit and other facilities.

During the first six months of 2025, we completed the following financing transactions (see Note 1 and Note 5 to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A for further information on 2025 financing activities):

- amended the AAdvantage term loan credit and guaranty agreement to reduce the applicable interest rate margin and reduce the scheduled quarterly principal amortization amount;
- issued \$1.0 billion of incremental term loans pursuant to the AAdvantage term loan credit guaranty agreement (2025 AAdvantage Term Loan Facility), as amended;
- prepaid \$487 million of the outstanding principal amounts of certain equipment notes issued under enhanced equipment trust certificates (EETCs);
- received \$432 million of gross proceeds pursuant to special facility revenue bonds issued by the Tulsa Municipal Airport Trust (TMAT), of which a portion was used to fund the redemption of other bonds related to TMAT and the remaining amount will be used to finance the cost of improvements at American's overhaul and maintenance base at Tulsa International Airport;
- prepaid \$308 million toward portions of the outstanding principal amounts of the 10.75% senior secured IP notes (the IP Notes) and the 10.75% senior secured LGA/DCA notes (LGA/DCA Notes); and
- issued \$712 million of equipment loans and other notes payable in connection with the financing of certain aircraft.

American Eagle Flight 5342

On January 29, 2025, American Eagle flight 5342 was involved in a fatal accident in Washington, D.C. The Bombardier CRJ 700 aircraft operated by PSA Airlines, Inc. was en route to Washington, D.C. from Wichita, Kansas when it was involved in a midair collision near Ronald Reagan Washington National Airport. We estimate that the accident reduced first quarter 2025 total operating revenues by approximately \$200 million, of which the impacted revenue is not covered by insurance. American has industry standard insurance coverage for this incident and is continuing to assess the full impact on its business resulting from the accident.

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 (GAAP measure) to pre-tax income 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 provides management with an additional tool to understand our core operating performance.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(In millions)			
Reconciliation of Pre-Tax Income Excluding Net Special Items:				
Pre-tax income – GAAP	\$ 838	\$ 1,028	\$ 189	\$ 615
Pre-tax net special items ⁽¹⁾ :				
Mainline operating special items, net	47	—	118	70
Nonoperating special items, net	(16)	12	32	58
Total pre-tax net special items	31	12	150	128
Pre-tax income excluding net special items	<u>\$ 869</u>	<u>\$ 1,040</u>	<u>\$ 339</u>	<u>\$ 743</u>

⁽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 provides management with 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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Reconciliation of CASM Excluding Net Special Items and Fuel:				
<i>(In millions)</i>				
Total operating expenses – GAAP	\$ 13,257	\$ 12,950	\$ 26,079	\$ 25,513
Operating net special items ⁽¹⁾ :				
Mainline operating special items, net	(47)	—	(118)	(70)
Aircraft fuel and related taxes	(2,663)	(3,061)	(5,250)	(6,042)
Total operating expenses, excluding net special items and fuel	\$ 10,547	\$ 9,889	\$ 20,711	\$ 19,401
Total available seat miles (ASM)	77,636	75,263	147,539	145,779
<i>(In cents)</i>				
CASM	17.08	17.21	17.68	17.50
Operating net special items per ASM ⁽¹⁾ :				
Mainline operating special items, net	(0.06)	—	(0.08)	(0.05)
Aircraft fuel and related taxes per ASM	(3.43)	(4.07)	(3.56)	(4.14)
CASM, excluding net special items and fuel	13.59	13.14	14.04	13.31

⁽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 six months ended June 30, 2025 and 2024. Amounts may not recalculate due to rounding.

	Three Months Ended June 30,		Increase (Decrease)	Six Months Ended June 30,		Increase (Decrease)
	2025	2024		2025	2024	
Revenue passenger miles (millions) ^(a)	65,762	65,144	0.9%	122,118	122,617	(0.4)%
Available seat miles (millions) ^(b)	77,636	75,263	3.2%	147,539	145,779	1.2%
Passenger load factor (percent) ^(c)	84.7	86.6	(1.9)pts	82.8	84.1	(1.3)pts
Yield (cents) ^(d)	19.96	20.27	(1.5)%	20.07	20.11	(0.2)%
Passenger revenue per available seat mile (cents) ^(e)	16.90	17.54	(3.6)%	16.62	16.92	(1.8)%
Total revenue per available seat mile (cents) ^(f)	18.54	19.05	(2.7)%	18.26	18.46	(1.0)%
Fuel consumption (gallons in millions)	1,163	1,132	2.7%	2,206	2,174	1.4%
Average aircraft fuel price including related taxes (dollars per gallon)	2.29	2.70	(15.3)%	2.38	2.78	(14.3)%
Total operating cost per available seat mile (cents) ^(g)	17.08	17.21	(0.8)%	17.68	17.50	1.0%
Aircraft at end of period ^(h)	1,539	1,529	0.7%	1,539	1,529	0.7%
Full-time equivalent employees at end of period	138,100	137,400	0.5%	138,100	137,400	0.5%

^(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 six regional aircraft in temporary storage as of June 30, 2025 as follows: four Bombardier CRJ 900 and two Embraer 145.

Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024
Operating Revenues

	Three Months Ended June 30,		Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
	(In millions, except percentage changes)			
Passenger	\$ 13,123	\$ 13,202	\$ (79)	(0.6)
Cargo	211	195	16	8.2
Other	1,058	937	121	13.0
Total operating revenues	\$ 14,392	\$ 14,334	\$ 58	0.4

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

	Three Months Ended June 30, 2025 (In millions)	Increase (Decrease) vs. Three Months Ended June 30, 2024				
		RPMs	ASMs	Load Factor	Passenger Yield	PRASM
Passenger revenue	\$ 13,123	0.9%	3.2%	(1.9)pts	(1.5)%	(3.6)%

Passenger revenue decreased \$79 million, or 0.6%, in the second quarter of 2025 from the second quarter of 2024. Our passenger revenue in the second quarter of 2025 was impacted by softness in domestic demand for air travel, offset in part by continued strength in international air travel, particularly in the Atlantic region. Atlantic PRASM increased 5.0% in the second quarter of 2025 as compared to the second quarter of 2024.

Cargo revenue increased \$16 million, or 8.2%, in the second quarter of 2025 from the second quarter of 2024, primarily due to a 6.9% increase in cargo yield and a 1.2% increase in cargo ton miles.

Other operating revenue increased \$121 million, or 13.0%, in the second quarter of 2025 from the second quarter of 2024, driven primarily by higher revenue associated with our loyalty program. During the three months ended June 30, 2025 and 2024, cash payments from co-branded credit card and other partners were \$1.41 billion and \$1.36 billion, respectively.

Operating Expenses

	Three Months Ended June 30,		Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
	(In millions, except percentage changes)			
Aircraft fuel and related taxes	\$ 2,663	\$ 3,061	\$ (398)	(13.0)
Salaries, wages and benefits	4,382	3,953	429	10.9
Regional expenses	1,331	1,268	63	5.0
Maintenance, materials and repairs	927	950	(23)	(2.5)
Other rent and landing fees	894	834	60	7.2
Aircraft rent	303	314	(11)	(3.8)
Selling expenses	535	456	79	17.5
Depreciation and amortization	476	474	2	0.5
Mainline operating special items, net	47	—	47	nm
Other	1,699	1,640	59	3.6
Total operating expenses	\$ 13,257	\$ 12,950	\$ 307	2.4

Aircraft fuel and related taxes decreased \$398 million, or 13.0%, in the second quarter of 2025 from the second quarter of 2024, primarily due to a 15.3% decrease in the average price per gallon of aircraft fuel including related taxes to \$2.29 in the second quarter of 2025 from \$2.70 in the second quarter of 2024, offset in part by a 2.7% increase in gallons of fuel consumed due to increased capacity.

Salaries, wages and benefits increased \$429 million, or 10.9%, in the second quarter of 2025 from the second quarter of 2024, primarily due to contractual wage rate increases and higher costs for benefit-related items associated with newly ratified and extended labor agreements reached in 2024, as well as annual contractual wage rate increases in our other labor agreements.

Regional expenses increased \$63 million, or 5.0%, in the second quarter of 2025 from the second quarter of 2024, primarily due to an increase in regional flight operations as regional capacity, as measured by ASMs, increased 11.7% in the second quarter of 2025 from the second quarter of 2024.

Maintenance, materials and repairs decreased \$23 million, or 2.5%, in the second quarter of 2025 from the second quarter of 2024, primarily due to a decrease in the volume of engine overhauls, offset in part by increased costs for component part repairs and airframe heavy checks driven by higher volume.

Other rent and landing fees increased \$60 million, or 7.2%, in the second quarter of 2025 from the second quarter of 2024, primarily due to rate increases at certain airports, offset in part by a decrease in leased engines.

Selling expenses increased \$79 million, or 17.5%, in the second quarter of 2025 from the second quarter of 2024, primarily due to an increase in commissions expense, driven by higher costs resulting from renegotiated agency contracts, as well as an increase in credit card fees driven by higher rates. Higher advertising expenses also contributed to the increase in selling expenses.

Operating Special Items, Net

	Three Months Ended June 30,	
	2025	2024
	(In millions)	
Litigation reserve adjustments	\$ 47	\$ —

Nonoperating Results

	Three Months Ended June 30,		Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
	(In millions, except percentage changes)			
Interest income	\$ 100	\$ 128	\$ (28)	(21.5)
Interest expense, net	(433)	(486)	53	(10.9)
Other income, net	36	2	34	nm
Total nonoperating expense, net	\$ (297)	\$ (356)	\$ 59	(16.6)

Interest income decreased \$28 million, or 21.5%, in the second quarter of 2025 from the second quarter of 2024, primarily due to lower interest rates that reduced returns on our short-term investments. Interest expense, net decreased \$53 million, or 10.9%, in the second quarter of 2025 from the second quarter of 2024, primarily due to lower interest rates on our variable-rate debt instruments and lower outstanding debt subsequent to the second quarter of 2024, as we continue our efforts to strengthen the balance sheet.

In the second quarter of 2025, other nonoperating income, net primarily included \$16 million of net special credits and \$11 million of non-service related pension and other postretirement benefit plan income.

In the second quarter of 2024, other nonoperating income, net primarily included \$24 million of non-service related pension and other postretirement benefit plan income, offset in part by \$12 million of net special charges.

Income Taxes

In the second quarter of 2025, we recorded an income tax provision of \$239 million. Substantially all of our income 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.

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024
Operating Revenues

	Six Months Ended June 30,		Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
	(In millions, except percentage changes)			
Passenger	\$ 24,514	\$ 24,661	\$ (147)	(0.6)
Cargo	400	382	18	4.7
Other	2,029	1,861	168	9.0
Total operating revenues	\$ 26,943	\$ 26,904	\$ 39	0.1

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

	Six Months Ended June 30, 2025 (In millions)	Increase (Decrease) vs. Six Months Ended June 30, 2024				
		RPMs	ASMs	Load Factor	Passenger Yield	PRASM
Passenger revenue	\$ 24,514	(0.4)%	1.2%	(1.3)pts	(0.2)%	(1.8)%

Passenger revenue decreased \$147 million, or 0.6%, in the first six months of 2025 from the first six months of 2024. Our passenger revenue in the first six months of 2025 was impacted by softness in domestic demand for air travel and the American Eagle Flight 5342 accident, offset in part by continued strength in international air travel, particularly in the Atlantic and Pacific regions. Atlantic and Pacific PRASM increased 7.5% and 2.7%, respectively, in the first six months of 2025 as compared to the first six months of 2024.

Cargo revenue increased \$18 million, or 4.7%, in the first six months of 2025 from the first six months of 2024, primarily due to a 4.2% increase in cargo yield.

Other operating revenue increased \$168 million, or 9.0%, in the first six months of 2025 from the first six months of 2024, driven primarily by higher revenue associated with our loyalty program. During the six months ended June 30, 2025 and 2024, cash payments from co-branded credit card and other partners were \$3.2 billion and \$3.0 billion, respectively.

Operating Expenses

	Six Months Ended June 30,		Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
	(In millions, except percentage changes)			
Aircraft fuel and related taxes	\$ 5,250	\$ 6,042	\$ (792)	(13.1)
Salaries, wages and benefits	8,604	7,820	784	10.0
Regional expenses	2,683	2,469	214	8.7
Maintenance, materials and repairs	1,848	1,834	14	0.8
Other rent and landing fees	1,720	1,653	67	4.1
Aircraft rent	600	642	(42)	(6.6)
Selling expenses	985	864	121	14.0
Depreciation and amortization	944	944	—	—
Mainline operating special items, net	118	70	48	67.9
Other	3,327	3,175	152	4.8
Total operating expenses	\$ 26,079	\$ 25,513	\$ 566	2.2

Aircraft fuel and related taxes decreased \$792 million, or 13.1%, in the first six months of 2025 from the first six months of 2024, primarily due to a 14.3% decrease in the average price per gallon of aircraft fuel including related taxes to \$2.38 in the first six months of 2025 from \$2.78 in the first six months of 2024, offset in part by a 1.4% increase in gallons of fuel consumed due to increased capacity.

Salaries, wages and benefits increased \$784 million, or 10.0%, in the first six months of 2025 from the first six months of 2024, primarily due to contractual wage rate increases and higher costs for benefit-related items associated with newly ratified and extended labor agreements reached in 2024, as well as annual contractual wage rate increases in our other labor agreements.

Regional expenses increased \$214 million, or 8.7%, in the first six months of 2025 from the first six months of 2024, primarily due to an increase in regional flight operations as regional capacity, as measured by ASMs, increased 13.4% in the first six months of 2025 from the first six months of 2024. In addition, higher maintenance, materials and repair costs driven by an increase in the volume of airframe heavy checks and engine overhauls also contributed to the increase in regional expenses.

Maintenance, materials and repairs increased \$14 million, or 0.8%, in the first six months of 2025 from the first six months of 2024, primarily due to increased costs for component part repairs and airframe heavy checks driven by higher volume, offset in part by a decrease in the volume of engine overhauls.

Other rent and landing fees increased \$67 million, or 4.1%, in the first six months of 2025 from the first six months of 2024, primarily due to rate increases at certain airports, offset in part by a decrease in leased engines.

Aircraft rent decreased \$42 million, or 6.6%, in the first six months of 2025 from the first six months of 2024, primarily due to decreased rental payments associated with aircraft lease extensions.

Selling expenses increased \$121 million, or 14.0%, in the first six months of 2025 from the first six months of 2024, primarily due to an increase in commissions expense, driven by higher costs resulting from renegotiated agency contracts, as well as an increase in advertising expenses. Higher credit card fees driven by higher rates also contributed to the increase in selling expenses.

Operating Special Items, Net

	Six Months Ended June 30,	
	2025	2024
	(In millions)	
Litigation reserve adjustments	\$ 77	\$ —
Labor contract expenses ⁽¹⁾	31	57
Severance expenses	5	13
Other operating special items, net	5	—
Mainline operating special items, net	\$ 118	\$ 70

⁽¹⁾ Labor contract expenses for the six months ended June 30, 2025 included a one-time charge for adjustments to vacation accruals resulting from pay rate increases effective January 1, 2025, related to the ratification of the contract extension in the fourth quarter of 2024 with our mainline maintenance and fleet service team members.

Labor contract expenses for the six months ended June 30, 2024 included one-time charges resulting from the ratification of a new collective bargaining agreement with our mainline passenger service team members, including a one-time signing bonus.

Nonoperating Results

	Six Months Ended June 30,		Increase (Decrease)	Percent Decrease
	2025	2024		
	(In millions, except percentage changes)			
Interest income	\$ 194	\$ 246	\$ (52)	(20.9)
Interest expense, net	(861)	(984)	123	(12.4)
Other expense, net	(8)	(38)	30	(80.0)
Total nonoperating expense, net	\$ (675)	\$ (776)	\$ 101	(13.0)

Interest income decreased \$52 million, or 20.9%, in the first six months of 2025 from the first six months of 2024, primarily due to lower interest rates that reduced returns on our short-term investments. Interest expense, net decreased

\$123 million, or 12.4%, in the first six months of 2025 from the first six months of 2024, primarily due to lower interest rates on our variable-rate debt instruments and lower outstanding debt subsequent to the second quarter of 2024, as we continue our efforts to strengthen the balance sheet.

In the first six months of 2025, other nonoperating expense, net included \$32 million of net special charges primarily for debt refinancings and extinguishments and mark-to-market net unrealized losses associated with certain equity investments, offset in part by \$22 million of non-service related pension and other postretirement benefit plan income.

In the first six months of 2024, other nonoperating expense, net included \$58 million of net special charges primarily for mark-to-market net unrealized losses associated with certain equity investments and \$10 million of foreign currency losses, offset in part by \$50 million of non-service related pension and other postretirement benefit plan income.

Income Taxes

In the first six months of 2025, we recorded an income tax provision of \$63 million. Substantially all of our income 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 June 30, 2025 Compared to Three Months Ended June 30, 2024

Operating Revenues

	Three Months Ended June 30,		Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
	(In millions, except percentage changes)			
Passenger	\$ 13,123	\$ 13,202	\$ (79)	(0.6)
Cargo	211	195	16	8.2
Other	1,056	936	120	12.9
Total operating revenues	<u>\$ 14,390</u>	<u>\$ 14,333</u>	<u>\$ 57</u>	0.4

Passenger revenue decreased \$79 million, or 0.6%, in the second quarter of 2025 from the second quarter of 2024. American's passenger revenue in the second quarter of 2025 was impacted by softness in domestic demand for air travel, offset in part by continued strength in international air travel, particularly in the Atlantic region.

Cargo revenue increased \$16 million, or 8.2%, in the second quarter of 2025 from the second quarter of 2024, primarily due to an increase in cargo yield and an increase in cargo ton miles.

Other operating revenue increased \$120 million, or 12.9%, in the second quarter of 2025 from the second quarter of 2024, driven primarily by higher revenue associated with American's loyalty program. During the three months ended June 30, 2025 and 2024, cash payments from co-branded credit card and other partners were \$1.41 billion and \$1.36 billion, respectively.

Operating Expenses

	Three Months Ended June 30,		Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
	(In millions, except percentage changes)			
Aircraft fuel and related taxes	\$ 2,663	\$ 3,061	\$ (398)	(13.0)
Salaries, wages and benefits	4,379	3,950	429	10.9
Regional expenses	1,325	1,260	65	5.2
Maintenance, materials and repairs	927	950	(23)	(2.5)
Other rent and landing fees	894	834	60	7.2
Aircraft rent	303	314	(11)	(3.8)
Selling expenses	535	456	79	17.5
Depreciation and amortization	475	472	3	0.7
Mainline operating special items, net	47	—	47	nm
Other	1,700	1,642	58	3.6
Total operating expenses	\$ 13,248	\$ 12,939	\$ 309	2.4

Aircraft fuel and related taxes decreased \$398 million, or 13.0%, in the second quarter of 2025 from the second quarter of 2024, primarily due to a 15.3% decrease in the average price per gallon of aircraft fuel including related taxes to \$2.29 in the second quarter of 2025 from \$2.70 in the second quarter of 2024, offset in part by a 2.7% increase in gallons of fuel consumed due to increased capacity.

Salaries, wages and benefits increased \$429 million, or 10.9%, in the second quarter of 2025 from the second quarter of 2024, primarily due to contractual wage rate increases and higher costs for benefit-related items associated with newly ratified and extended labor agreements reached in 2024, as well as annual contractual wage rate increases in American's other labor agreements.

Regional expenses increased \$65 million, or 5.2%, in the second quarter of 2025 from the second quarter of 2024, primarily due to an increase in regional flight operations and costs at American's regional carriers.

Maintenance, materials and repairs decreased \$23 million, or 2.5%, in the second quarter of 2025 from the second quarter of 2024, primarily due to a decrease in the volume of engine overhauls, offset in part by increased costs for component part repairs and airframe heavy checks driven by higher volume.

Other rent and landing fees increased \$60 million, or 7.2%, in the second quarter of 2025 from the second quarter of 2024, primarily due to rate increases at certain airports, offset in part by a decrease in leased engines.

Selling expenses increased \$79 million, or 17.5%, in the second quarter of 2025 from the second quarter of 2024, primarily due to an increase in commissions expense, driven by higher costs resulting from renegotiated agency contracts, as well as an increase in credit card fees driven by higher rates. Higher advertising expenses also contributed to the increase in selling expenses.

Operating Special Items, Net

	Three Months Ended June 30,	
	2025	2024
	(In millions)	
Litigation reserve adjustments	\$ 47	\$ —

Nonoperating Results

	Three Months Ended June 30,		Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
	(In millions, except percentage changes)			
Interest income	\$ 247	\$ 275	\$ (28)	(10.1)
Interest expense, net	(440)	(511)	71	(13.7)
Other income, net	36	2	34	nm
Total nonoperating expense, net	\$ (157)	\$ (234)	\$ 77	(32.6)

Interest income decreased \$28 million, or 10.1%, in the second quarter of 2025 from the second quarter of 2024, primarily due to lower interest rates that reduced returns on American's short-term investments. Interest expense, net decreased \$71 million, or 13.7%, in the second quarter of 2025 from the second quarter of 2024, primarily due to lower interest rates on its variable-rate debt instruments and lower outstanding debt subsequent to the second quarter of 2024, as American continues its efforts to strengthen the balance sheet.

In the second quarter of 2025, other nonoperating income, net primarily included \$16 million of net special credits and \$11 million of non-service related pension and other postretirement benefit plan income.

In the second quarter of 2024, other nonoperating income, net primarily included \$24 million of non-service related pension and other postretirement benefit plan income, offset in part by \$12 million of net special charges.

Income Taxes

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

In the second quarter of 2025, American recorded an income tax provision of \$267 million. Substantially all of American's income 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.

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Operating Revenues

	Six Months Ended June 30,		Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
	(In millions, except percentage changes)			
Passenger	\$ 24,514	\$ 24,661	\$ (147)	(0.6)
Cargo	400	382	18	4.7
Other	2,026	1,859	167	8.9
Total operating revenues	\$ 26,940	\$ 26,902	\$ 38	0.1

Passenger revenue decreased \$147 million, or 0.6%, in the first six months of 2025 from the first six months of 2024. American's passenger revenue in the first six months of 2025 was impacted by softness in domestic demand for air travel and the American Eagle Flight 5342 accident, offset in part by continued strength in international air travel, particularly in the Atlantic and Pacific regions.

Cargo revenue increased \$18 million, or 4.7%, in the first six months of 2025 from the first six months of 2024, primarily due to an increase in cargo yield.

Other operating revenue increased \$167 million, or 8.9%, in the first six months of 2025 from the first six months of 2024, driven primarily by higher revenue associated with American's loyalty program. During the six months ended June 30, 2025 and 2024, cash payments from co-branded credit card and other partners were \$3.2 billion and \$3.0 billion, respectively.

Operating Expenses

	Six Months Ended June 30,		Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
	(In millions, except percentage changes)			
Aircraft fuel and related taxes	\$ 5,250	\$ 6,042	\$ (792)	(13.1)
Salaries, wages and benefits	8,599	7,816	783	10.0
Regional expenses	2,674	2,457	217	8.8
Maintenance, materials and repairs	1,848	1,834	14	0.8
Other rent and landing fees	1,720	1,653	67	4.1
Aircraft rent	600	642	(42)	(6.6)
Selling expenses	985	864	121	14.0
Depreciation and amortization	941	939	2	0.2
Mainline operating special items, net	118	70	48	67.9
Other	3,330	3,178	152	4.8
Total operating expenses	\$ 26,065	\$ 25,495	\$ 570	2.2

Aircraft fuel and related taxes decreased \$792 million, or 13.1%, in the first six months of 2025 from the first six months of 2024, primarily due to a 14.3% decrease in the average price per gallon of aircraft fuel including related taxes to \$2.38 in the first six months of 2025 from \$2.78 in the first six months of 2024, offset in part by a 1.4% increase in gallons of fuel consumed due to increased capacity.

Salaries, wages and benefits increased \$783 million, or 10.0%, in the first six months of 2025 from the first six months of 2024, primarily due to contractual wage rate increases and higher costs for benefit-related items associated with newly ratified and extended labor agreements reached in 2024, as well as annual contractual wage rate increases in American's other labor agreements.

Regional expenses increased \$217 million, or 8.8%, in the first six months of 2025 from the first six months of 2024, primarily due to an increase in regional flight operations and costs at American's regional carriers.

Maintenance, materials and repairs increased \$14 million, or 0.8%, in the first six months of 2025 from the first six months of 2024, primarily due to increased costs for component part repairs and airframe heavy checks driven by higher volume, offset in part by a decrease in the volume of engine overhauls.

Other rent and landing fees increased \$67 million, or 4.1%, in the first six months of 2025 from the first six months of 2024, primarily due to rate increases at certain airports, offset in part by a decrease in leased engines.

Aircraft rent decreased \$42 million, or 6.6%, in the first six months of 2025 from the first six months of 2024, primarily due to decreased rental payments associated with aircraft lease extensions.

Selling expenses increased \$121 million, or 14.0%, in the first six months of 2025 from the first six months of 2024, primarily due to an increase in commissions expense, driven by higher costs resulting from renegotiated agency contracts, as well as an increase in advertising expenses. Higher credit card fees driven by higher rates also contributed to the increase in selling expenses.

Operating Special Items, Net

	Six Months Ended June 30,	
	2025	2024
	(In millions)	
Litigation reserve adjustments	\$ 77	\$ —
Labor contract expenses ⁽¹⁾	31	57
Severance expenses	5	13
Other operating special items, net	5	—
Mainline operating special items, net	\$ 118	\$ 70

(1) Labor contract expenses for the six months ended June 30, 2025 included a one-time charge for adjustments to vacation accruals resulting from pay rate increases effective January 1, 2025, related to the ratification of the contract extension in the fourth quarter of 2024 with American's mainline maintenance and fleet service team members.

Labor contract expenses for the six months ended June 30, 2024 included one-time charges resulting from the ratification of a new collective bargaining agreement with American's mainline passenger service team members, including a one-time signing bonus.

Nonoperating Results

	Six Months Ended June 30,		Increase (Decrease)	Percent Decrease
	2025	2024		
	(In millions, except percentage changes)			
Interest income	\$ 483	\$ 537	\$ (54)	(9.9)
Interest expense, net	(893)	(1,031)	138	(13.3)
Other expense, net	(8)	(39)	31	(79.3)
Total nonoperating expense, net	\$ (418)	\$ (533)	\$ 115	(21.6)

Interest income decreased \$54 million, or 9.9% in the first six months of 2025 from the first six months of 2024, primarily due to lower interest rates that reduced returns on American's short-term investments. Interest expense, net decreased \$138 million, or 13.3%, in the first six months of 2025 from the first six months of 2024, primarily due to lower interest rates on its variable-rate debt instruments and lower outstanding debt subsequent to the second quarter of 2024, as American continues its efforts to strengthen the balance sheet.

In the first six months of 2025, other nonoperating expense, net included \$32 million of net special charges primarily for debt refinancings and extinguishments and mark-to-market net unrealized losses associated with certain equity investments, offset in part by \$21 million of non-service related pension and other postretirement benefit plan income.

In the first six months of 2024, other nonoperating expense, net included \$58 million of net special charges primarily for mark-to-market net unrealized losses associated with certain equity investments and \$10 million of foreign currency losses, offset in part by \$50 million of non-service related pension and other postretirement benefit plan income.

Income Taxes

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

In the first six months of 2025, American recorded an income tax provision of \$123 million. Substantially all of American's income 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 June 30, 2025, AAG had \$12.0 billion in total available liquidity and \$807 million in restricted cash and short-term investments. Additional detail regarding our available liquidity is provided in the table below (in millions):

	AAG		American	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Cash	\$ 833	\$ 804	\$ 824	\$ 795
Short-term investments	7,740	6,180	7,737	6,177
Undrawn facilities	3,400	3,289	3,400	3,289
Total available liquidity	\$ 11,973	\$ 10,273	\$ 11,961	\$ 10,261

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 our ability and that of 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) or collateral coverage ratio covenants and certain agreements require us to appraise the related collateral annually or semiannually. Pursuant to such agreements, if the applicable LTV or collateral 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. 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. Our 5.50% senior secured notes due 2026, 5.75% senior secured notes due 2029 and the 2021 and 2025 AAdvantage Term Loan Facilities (collectively, the AAdvantage Financing) contain 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. As of the most recent applicable measurement dates, we were in compliance with each of the foregoing covenants.

Sources and Uses of Cash

AAG

Operating Activities

Our net cash provided by operating activities was \$3.4 billion and \$3.3 billion for the first six months of 2025 and 2024, respectively, a \$111 million period-over-period increase driven by net working capital changes, offset in part by lower profitability in the first six months of 2025 as compared to the same period in 2024.

Investing Activities

Our net cash used in investing activities was \$2.5 billion and \$1.9 billion for the first six months of 2025 and 2024, respectively.

Our principal investing activities in the first six months of 2025 included \$1.3 billion of capital expenditures, which primarily related to the purchase of 11 Boeing 737 MAX aircraft, three Bombardier CRJ 900 aircraft, two Embraer 175 aircraft, one Airbus A321neo aircraft, one Boeing 787-9 aircraft, one Airbus A320 aircraft lease repurchase and five aircraft engines. Additionally, we had \$1.6 billion in net purchases of short-term investments. These cash outflows were offset in part by \$328 million in net proceeds from the issuance of the TMAT special facility revenue bonds and \$200 million in proceeds from sale-leaseback transactions and sale of property and equipment, which primarily related to the modernization of Terminals 4 and 5 at Los Angeles International Airport (LAX).

Our principal investing activities in the first six months of 2024 included \$1.5 billion of capital expenditures, which primarily related to the purchase of 12 Embraer 175 aircraft, three Boeing 737 MAX aircraft, two Airbus A321neo aircraft, 32 aircraft engines and aircraft purchase deposits. Additionally, we had \$833 million in net purchases of short-term investments. These cash outflows were offset in part by \$353 million of proceeds from sale-leaseback transactions and sale of property and equipment, which primarily related to the modernization of Terminals 4 and 5 at LAX.

Financing Activities

Our net cash used in financing activities was \$912 million and \$1.4 billion for the first six months of 2025 and 2024, respectively.

Our principal financing activities in the first six months of 2025 primarily included \$2.4 billion in debt and finance lease repayments, consisting of \$1.6 billion in scheduled repayments, \$487 million of early repayments for the outstanding principal amount of equipment notes issued under EETCs and \$308 million of early repayments toward portions of the outstanding principal amounts of the IP Notes and LGA/DCA Notes. These cash outflows were offset in part by \$1.7 billion of proceeds from the issuance of long-term debt, consisting of \$1.0 billion from the issuance of the 2025 AAdvantage Term Loan Facility and \$712 million from the issuance of equipment loans and other notes payable in connection with the financing of certain aircraft.

Our principal financing activities in the first six months of 2024 included \$1.8 billion in scheduled repayments of debt and finance lease obligations. These cash outflows were offset by \$527 million borrowed in connection with the financing of certain aircraft.

American

Operating Activities

American's net cash provided by operating activities was \$3.3 billion for each of the first six months of 2025 and 2024. American's operating cash flow in the first six months of 2025 was flat compared to the first six months of 2024 driven by net working capital changes, offset by lower profitability in the first six months of 2025 as compared to the same period in 2024.

Investing Activities

American's net cash used in investing activities was \$2.4 billion and \$1.9 billion for the first six months of 2025 and 2024, respectively.

American's principal investing activities in the first six months of 2025 included \$1.3 billion of capital expenditures, which primarily related to the purchase of 11 Boeing 737 MAX aircraft, three Bombardier CRJ 900 aircraft, two Embraer 175 aircraft, one Airbus A321neo aircraft, one Boeing 787-9 aircraft, one Airbus A320 aircraft lease repurchase and five aircraft engines. Additionally, American had \$1.6 billion in net purchases of short-term investments. These cash outflows were offset in part by \$328 million in net proceeds from the issuance of the TMAT special facility revenue bonds and \$200 million in proceeds from sale-leaseback transactions and sale of property and equipment, which primarily related to the modernization of Terminals 4 and 5 at LAX.

American's principal investing activities in the first six months of 2024 included \$1.4 billion of capital expenditures, which primarily related to the purchase of 12 Embraer 175 aircraft, three Boeing 737 MAX aircraft, two Airbus A321neo aircraft, 32 aircraft engines and aircraft purchase deposits. Additionally, American had \$831 million in net purchases of short-term investments. These cash outflows were offset in part by \$353 million of proceeds from sale-leaseback transactions and sale of property and equipment, which primarily related to the modernization of Terminals 4 and 5 at LAX.

Financing Activities

American's net cash used in financing activities was \$817 million and \$1.3 billion for the first six months of 2025 and 2024, respectively.

American's principal financing activities in the first six months of 2025 primarily included \$2.4 billion in debt and finance lease repayments, consisting of \$1.6 billion in scheduled repayments, \$487 million of early repayments for the outstanding principal amount of equipment notes issued under EETCs and \$308 million of early repayments toward portions of the outstanding principal amounts of the IP Notes and LGA/DCA Notes. These cash outflows were offset in part by \$1.7 billion of proceeds from the issuance of long-term debt, consisting of \$1.0 billion from the issuance of the 2025 AAdvantage Term Loan Facility and \$712 million from the issuance of equipment loans and other notes payable in connection with the financing of certain aircraft.

American's principal financing activities in the first six months of 2024 included \$1.8 billion in scheduled repayments of debt and finance lease obligations. These cash outflows were offset by \$527 million borrowed in connection with the financing of certain aircraft.

Commitments

Significant Indebtedness

As of June 30, 2025, AAG had \$29.6 billion in long-term debt, including current maturities of \$4.5 billion. As of June 30, 2025, American had \$24.8 billion in long-term debt, including current maturities of \$3.5 billion. All material changes in our significant indebtedness since our 2024 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 June 30, 2025, we had definitive purchase agreements for the acquisition of the following new aircraft ⁽¹⁾:

	Remainder of 2025	2026	2027	2028 and Thereafter	Total
Airbus					
A320neo Family	5	22	23	101	151
Boeing					
737 MAX Family	10	16	—	115	141
787 Family	7	1	3	15	26
Embraer					
175	10	20	15	45	90
Total	32	59	41	276	408

⁽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. See Part I, Item 1A. Risk Factors – "We depend on a limited number of suppliers for aircraft, aircraft engines and parts. Delays in scheduled aircraft deliveries, unexpected grounding of aircraft or aircraft engines whether by regulators or by us, or other loss of anticipated fleet capacity, and failure of new aircraft to receive regulatory approval, be produced or otherwise perform as and when expected, adversely impacts our business, results of operations and financial condition" in our 2024 Form 10-K.

In addition, we have committed to purchase nine used Bombardier CRJ 900 aircraft which are scheduled to be delivered from the third quarter of 2025 through 2026. We also have agreements for 44 spare engines to be delivered in the third quarter of 2025 and beyond. The "Contractual Obligations" table below reflects these commitments.

We intend to finance future aircraft deliveries and option exercises using long-term debt.

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 2024 Form 10-K.

Contractual Obligations

The following table provides details of our estimated material cash requirements from contractual obligations as of June 30, 2025 (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 2025	2026	2027	2028	2029	2030 and Thereafter	
American							
Long-term debt:							
Principal amount ^{(a), (c)}	\$ 1,436	\$ 3,577	\$ 4,360	\$ 7,228	\$ 3,948	\$ 4,256	\$ 24,805
Interest obligations ^{(b), (c)}	716	1,222	958	668	355	720	4,639
Finance lease obligations	73	141	131	94	89	324	852
Aircraft and engine purchase commitments ^(d)	1,782	3,021	2,764	4,620	3,442	9,811	25,440
Operating lease commitments	820	1,541	1,388	1,259	1,156	3,740	9,904
Regional capacity purchase agreements ^(e)	542	1,057	1,054	981	815	819	5,268
Minimum pension obligations ^(f)	—	251	157	107	81	46	642
Retiree medical and other postretirement benefits ^(f)	67	138	135	131	128	615	1,214
Other purchase obligations ^(g)	2,791	2,968	1,707	953	408	3,666	12,493
Total American Contractual Obligations	8,227	13,916	12,654	16,041	10,422	23,997	85,257
AAG Parent and Other AAG Subsidiaries							
Long-term debt:							
Principal amount ^(a)	1,000	—	—	—	—	3,746	4,746
Interest obligations ^(b)	91	169	189	195	201	213	1,058
Finance lease obligations	4	—	—	—	—	—	4
Operating lease commitments	7	13	8	7	6	40	81
Minimum pension obligations ^(f)	1	2	1	1	1	2	8
Other purchase obligations	4	14	12	5	2	—	37
Total AAG Contractual Obligations	\$ 9,334	\$ 14,114	\$ 12,864	\$ 16,249	\$ 10,632	\$ 27,998	\$ 91,191

(a) Amounts represent contractual amounts due. Excludes \$330 million and \$2 million of unamortized debt discount, premium and issuance costs as of June 30, 2025 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 June 30, 2025.

(c) Includes \$6.4 billion of future principal payments and \$729 million of future interest payments as of June 30, 2025, 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 commitments for the acquisition of aircraft and engines, including the anticipated aircraft 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 and certain management assumptions. 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 above exclude two Boeing 787 Family aircraft scheduled to be delivered in 2025, for which we have obtained committed lease financing. This financing is reflected in the operating lease commitments line.

- (e) 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 and expected contributions to our retiree medical and other postretirement plans based on actuarially determined estimates as of December 31, 2024 and is based on estimated payments through 2034. During the first six months of 2025, we made required contributions of \$223 million to our defined benefit pension plans.
- (g) Includes purchase commitments for aircraft fuel, flight equipment maintenance and information technology support 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 governmental actions, military actions, terrorism, disease outbreaks, natural disasters or other causes could reduce the demand for air travel, which would reduce the amount of cash generated by operations. See Part I, Item 1A. Risk Factors – *“Downturns in economic conditions could adversely affect our business”* in our 2024 Form 10-K for additional discussion. 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, due to an increase in the cost of fuel, maintenance, aircraft, aircraft engines or parts, or due to an increase in tariffs, 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.

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, and the amounts involved may be material.

Critical Accounting Policies and Estimates

For information regarding our critical accounting policies and estimates, see Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – *“Critical Accounting Policies and Estimates”* in our 2024 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 2024 Form 10-K except as updated below.

Aircraft Fuel

As of June 30, 2025, 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 this 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 2025 forecasted fuel consumption, we estimate that a one cent per gallon increase in the price of aircraft fuel would increase

our 2025 annual fuel expense by approximately \$45 million. See Part I, Item 1A. Risk Factors – *“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”* in our 2024 Form 10-K.

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, Canadian dollar, British pound sterling 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, devaluations or imposition of more stringent repatriation restrictions, may materially adversely affect our business, results of operations and financial condition. See Part I, 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”* in our 2024 Form 10-K 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 June 30, 2025 variable-rate debt and short-term investments balances, annual interest expense on variable rate debt would increase by approximately \$130 million and annual interest income on short-term investments would increase by approximately \$90 million.

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 June 30, 2025 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 June 30, 2025 at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the quarter ended June 30, 2025, 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 June 30, 2025.

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

There have been no material changes in our risk factors as previously disclosed in Part I, Item 1A in our 2024 Form 10-K. The risks in our 2024 Form 10-K are not the only risks facing AAG and American. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, could also materially adversely affect our business, financial condition or future results.

ITEM 5. OTHER INFORMATION

Securities Trading Plans of Directors and Executive Officers

During the quarter ended June 30, 2025, none of our directors or "officers" (as defined in Rule 16a-1(f) under the Exchange Act) 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.

Exhibit Number	Description
10.1	Increase Joinder, dated as of April 21, 2025, amending that certain Credit and Guaranty Agreement, dated as of December 4, 2023 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time), by and among American Airlines, Inc., as borrower, American Airlines Group Inc., as guarantor, the lenders from time to time party thereto and Citibank, N.A., as administrative agent.*
10.2	Increase Joinder, dated as of April 21, 2025, amending that certain Amended and Restated Credit and Guaranty Agreement, dated as of May 21, 2015 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time), by and among American Airlines, Inc., as borrower, American Airlines Group Inc., as guarantor, the lenders from time to time party thereto and Barclays Bank PLC, as administrative agent.*
10.3	Increase Joinder, dated as of April 21, 2025, amending that certain Amended and Restated Credit and Guaranty Agreement, dated as of April 20, 2015 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time), by and among American Airlines, Inc., as borrower, American Airlines Group Inc., as guarantor, the lenders from time to time party thereto and Citibank, N.A., as administrative agent.*
10.4	Third Amendment to Term Loan Credit and Guaranty Agreement, dated as of May 28, 2025, among American Airlines, Inc., AAdvantage Loyalty IP Ltd., Barclays Bank PLC, as administrative agent, and Citibank, N.A., as Designated 2025 Incremental Term Lender (incorporated by reference as Exhibit 10.1 to AAG's Current Report on Form 8-K filed on May 29, 2025 (Commission File No. 1-8400)).**
10.5	American Airlines Group Inc. 2023 Incentive Award Plan, as amended, dated as of April 29, 2025.
10.6	Supplemental Agreement No. 35, dated as of June 30, 2025, to Purchase Agreement No. 03735 dated as of February 1, 2013, by and between American Airlines, Inc. and The Boeing Company.*
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.

** Portions of this exhibit have been redacted in accordance with Item 601(a)(6) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

American Airlines Group Inc.

Date: July 24, 2025

By: /s/ Devon E. May
Devon E. May
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

American Airlines, Inc.

Date: July 24, 2025

By: /s/ Devon E. May
Devon E. May
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

Certain information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) is the type that the registrant treats as private or confidential.

INCREASE JOINDER

This INCREASE JOINDER, dated as of April 21, 2025 (the “Increase Joinder”) amends the Credit and Guaranty Agreement, dated as of December 4, 2023 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), by and among American Airlines, Inc., a Delaware corporation (the “Borrower”), American Airlines Group Inc., a Delaware corporation, as guarantor, the Lenders party thereto and Citibank, N.A., as administrative agent (in such capacity, the “Administrative Agent”). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Credit Agreement.

WHEREAS, the Borrower wishes to increase the Revolving Commitments available pursuant to the Credit Agreement by an amount equal to the Revolving Commitment set forth on Schedule I hereto.

NOW THEREFORE, [****], as increasing Revolving Lender (the “Increasing Lender”), the Borrower and the Administrative Agent hereby agree as follows:

SECTION 1. Increased Commitments; Increase Effective Date.

(a) Subject to the terms and conditions hereof and of the Credit Agreement, the Increasing Lender agrees to provide new Revolving Commitments in the amount set forth in Schedule I of this Increase Joinder (the “Commitment Increase”) pursuant to Section 2.27 of the Credit Agreement, which shall be effective April 21, 2025 (the “Increase Effective Date”).

(b) The Administrative Agent confirms that it has received written notice pursuant to the requirements of Section 2.27(a) of the Credit Agreement in connection with the Commitment Increase.

SECTION 2. Amendments to Credit Agreement and Loan Documents. Effective as of the Increase Effective Date, (1) the Revolving Commitment Increase shall be a “Commitment” and a “Revolving Commitment” under the Loan Documents on identical terms and conditions of the existing Revolving Commitments, and (2) Annex A of the Credit Agreement shall be amended to reflect the Increasing Lender’s Revolving Commitment and the total Revolving Commitments as set forth in Schedule I.

SECTION 3. Representations and Warranties of the Borrower. The Borrower hereby certifies by its signature to this Increase Joinder that: (A) each of the conditions set forth in Section 2.27(b) of the Credit Agreement applicable to the Commitment Increase, including but not limited to the satisfaction of the conditions required under Section 4.02 of the Credit Agreement, have been satisfied on or prior to the Increase Effective Date; *provided that, for*

purposes of satisfaction of the conditions in Section 4.02 of the Credit Agreement, references therein to the making of a Loan or Borrowing or issuance of a Letter of Credit shall be deemed instead to be references to the effectiveness of the Commitment Increase and the notice of Commitment Increase delivered pursuant to Section 2.27(a) shall be deemed to satisfy the notice requirement under Section 4.02(a), and (B) the Borrower has delivered to the Administrative Agent the notice in respect of the Commitment Increase required pursuant to Section 2.27(a).

SECTION 4. Limited Amendments; Confirmation. Other than as expressly set forth in Section 2 herein, the agreements contained herein shall not constitute, and are not intended to be, an amendment to the Credit Agreement, and all provisions of the Credit Agreement are and shall remain in full force and effect in accordance with the terms thereof. The Increasing Lender agrees that from and after the Increase Effective Date, its New Commitments set forth in Schedule I hereto shall be included in its Commitment and be governed for all purposes by the Credit Agreement and the other Loan Documents.

SECTION 5. Governing Law. This Increase Joinder shall be governed by, and construed in accordance with, the law of the State of New York. Each party hereto consents to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof and irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INCREASE JOINDER OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

SECTION 6. Loan Document. This Increase Joinder shall be a Loan Document.

SECTION 7. Execution in Counterparts; Integration; Effectiveness. This Increase Joinder may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. This Increase Joinder constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Subject to the conditions of Section 2.27(b) of the Credit Agreement, this Increase Joinder shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed signature page of this Increase Joinder by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. The words "execution," "signed," "signature," and words of like import in this Increase Joinder shall be deemed to include electronic signatures or the keeping of records in electronic form, each of

which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 8. Headings. Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Increase Joinder.

SECTION 9. Additional Provisions. Sections 10.05, 10.12 and 10.15 of the Credit Agreement are incorporated herein by reference as if the same were repeated herein in full, *mutatis mutandis*.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned has caused this Increase Joinder to be duly executed and delivered by its duly authorized officer as of the date first above written.

AMERICAN AIRLINES, INC.

By: /s/ Clemens Metz
Name: Clemens Metz
Title: Vice President and Treasurer

Signature Page
Increase Joinder

as Increasing Lender

[***],

By:
Name:
Title:

By:
Name:
Title:

Signature Page
Increase Joinder

CITIBANK, N.A., as Administrative Agent

By: /s/ Sara A. Lopez

Name: Sara A. Lopez

Title: Vice President

Signature Page
Increase Joinder

Increasing Lender's New Commitments

Increasing Lender	Increasing Lender's Revolving Commitment Increase	Increasing Lender's Total Revolving Commitment as of the Increase Effective Date
[***]	[***]	[***]

Certain information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) is the type that the registrant treats as private or confidential.

INCREASE JOINDER

This INCREASE JOINDER, dated as of April 21, 2025 (the “Increase Joinder”) amends the Amended and Restated Credit and Guaranty Agreement, dated as of May 21, 2015 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), by and among American Airlines, Inc., a Delaware corporation (the “Borrower”), American Airlines Group Inc., a Delaware corporation, as guarantor, the Lenders party thereto and Barclays Bank PLC, as administrative agent (in such capacity, the “Administrative Agent”). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Credit Agreement.

WHEREAS, the Borrower wishes to increase the Revolving Commitments available pursuant to the Credit Agreement by an amount equal to the Revolving Commitment set forth on Schedule I hereto.

NOW THEREFORE, [****], as increasing Revolving Lender (the “Increasing Lender”), the Borrower and the Administrative Agent hereby agree as follows:

SECTION 1. Increased Commitments; Increase Effective Date.

(a) Subject to the terms and conditions hereof and of the Credit Agreement, the Increasing Lender agrees to provide new Revolving Commitments in the amount set forth in Schedule I of this Increase Joinder (the “Commitment Increase”) pursuant to Section 2.27 of the Credit Agreement, which shall be effective April 21, 2025 (the “Increase Effective Date”).

(b) The Administrative Agent confirms that it has received sufficient notice pursuant to the requirements of Section 2.27(a) of the Credit Agreement in connection with the Commitment Increase.

SECTION 2. Amendments to Credit Agreement and Loan Documents. Effective as of the Increase Effective Date, (1) the Revolving Commitment Increase shall be a “Commitment” and a “Revolving Commitment” under the Loan Documents on identical terms and conditions of the existing Revolving Commitments, and (2) Annex A of the Credit Agreement shall be amended to reflect the Increasing Lender’s Revolving Commitment and the total Revolving Commitments as set forth in Schedule I.

SECTION 3. Representations and Warranties of the Borrower. The Borrower hereby certifies by its signature to this Increase Joinder that: (A) each of the conditions set forth in Section 2.27(b) of the Credit Agreement applicable to the Commitment Increase, including but not limited to the satisfaction of the conditions required under Section 4.02 of the Credit

Agreement, have been satisfied on or prior to the Increase Effective Date; *provided* that, for purposes of satisfaction of the conditions in Section 4.02 of the Credit Agreement, references therein to the making of a Loan or Borrowing or issuance of a Letter of Credit shall be deemed instead to be references to the effectiveness of the Commitment Increase and the notice of Commitment Increase delivered pursuant to Section 2.27(a), shall be deemed to satisfy the notice requirement under Section 4.02(a), (B) this Increase Joinder has been duly executed and delivered by the Borrower and constitutes the Borrower's legal, valid and binding obligation, enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law and (C) the Borrower has delivered to the Administrative Agent the notice in respect of the Commitment Increase required pursuant to Section 2.27(a).

SECTION 4. Limited Amendments; Confirmation. Other than as expressly set forth in Section 2 herein, the agreements contained herein shall not constitute, and are not intended to be, an amendment to the Credit Agreement, and all provisions of the Credit Agreement are and shall remain in full force and effect in accordance with the terms thereof. The Increasing Lender agrees that from and after the Increase Effective Date, its New Commitments set forth in Schedule I hereto shall be included in its Commitment and be governed for all purposes by the Credit Agreement and the other Loan Documents.

SECTION 5. Governing Law. This Increase Joinder shall be governed by, and construed in accordance with, the law of the State of New York. Each party hereto consents to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof and irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INCREASE JOINDER OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

SECTION 6. Loan Document. This Increase Joinder shall be a Loan Document.

SECTION 7. Execution in Counterparts; Integration; Effectiveness. This Increase Joinder may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. This Increase Joinder constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Subject to the conditions of Section 2.27(b) of the Credit Agreement, this Increase Joinder shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when

taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed signature page of this Increase Joinder by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. The words “execution,” “signed,” “signature,” and words of like import in this Increase Joinder shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 8. Headings. Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Increase Joinder.

SECTION 9. Additional Provisions. Sections 10.05, 10.12 and 10.15 of the Credit Agreement are incorporated herein by reference as if the same were repeated herein in full, *mutatis mutandis*.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned has caused this Increase Joinder to be duly executed and delivered by its duly authorized officer as of the date first above written.

AMERICAN AIRLINES, INC.

By: /s/ Clemens Metz

Name: Clemens Metz

Title: Vice President and Treasurer

Signature Page
Increase Joinder

as Increasing Lender

[***],

By:
Name:
Title:

By:
Name:
Title:

Signature Page
Increase Joinder

BARCLAYS BANK PLC, as Administrative Agent

By: /s/ Charlene Saldanha

Name: Charlene Saldanha

Title: Director

Signature Page
Increase Joinder

Increasing Lender's New Commitments

Increasing Lender	Increasing Lender's Revolving Commitment Increase	Increasing Lender's Total Revolving Commitment as of the Increase Effective Date
[***]	[***]	[***]

Certain information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) is the type that the registrant treats as private or confidential.

INCREASE JOINDER

This INCREASE JOINDER, dated as of April 21, 2025 (the “Increase Joinder”) amends the Amended and Restated Credit and Guaranty Agreement, dated as of April 20, 2015 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), by and among American Airlines, Inc., a Delaware corporation (the “Borrower”), American Airlines Group Inc., a Delaware corporation, as guarantor, the Lenders party thereto and Citibank, N.A., as administrative agent (in such capacity, the “Administrative Agent”). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Credit Agreement.

WHEREAS, the Borrower wishes to increase the Revolving Commitments available pursuant to the Credit Agreement by an amount equal to the Revolving Commitment set forth on Schedule I hereto.

NOW THEREFORE, [****], as increasing Revolving Lender (the “Increasing Lender”), the Borrower and the Administrative Agent hereby agree as follows:

SECTION 1. Increased Commitments; Increase Effective Date.

(a) Subject to the terms and conditions hereof and of the Credit Agreement, the Increasing Lender agrees to provide new Revolving Commitments in the amount set forth in Schedule I of this Increase Joinder (the “Commitment Increase”) pursuant to Section 2.27 of the Credit Agreement, which shall be effective April 21, 2025 (the “Increase Effective Date”).

(b) The Administrative Agent confirms that it has received written notice pursuant to the requirements of Section 2.27(a) of the Credit Agreement in connection with the Commitment Increase.

SECTION 2. Amendments to Credit Agreement and Loan Documents. Effective as of the Increase Effective Date, (1) the Revolving Commitment Increase shall be a “Commitment” and a “Revolving Commitment” under the Loan Documents on identical terms and conditions of the existing Revolving Commitments, and (2) Annex A of the Credit Agreement shall be amended to reflect the Increasing Lender’s Revolving Commitment and the total Revolving Commitments as set forth in Schedule I.

SECTION 3. Representations and Warranties of the Borrower. The Borrower hereby certifies by its signature to this Increase Joinder that: (A) each of the conditions set forth in Section 2.27(b) of the Credit Agreement applicable to the Commitment Increase, including but not limited to the satisfaction of the conditions required under Section 4.02 of the Credit

Agreement, have been satisfied on or prior to the Increase Effective Date; *provided* that, for purposes of satisfaction of the conditions in Section 4.02 of the Credit Agreement, references therein to the making of a Loan or Borrowing or issuance of a Letter of Credit shall be deemed instead to be references to the effectiveness of the Commitment Increase and the notice of Commitment Increase delivered pursuant to Section 2.27(a) shall be deemed to satisfy the notice requirement under Section 4.02(a)), and (B) the Borrower has delivered to the Administrative Agent the notice in respect of the Commitment Increase required pursuant to Section 2.27(a).

SECTION 4. Limited Amendments; Confirmation. Other than as expressly set forth in Section 2 herein, the agreements contained herein shall not constitute, and are not intended to be, an amendment to the Credit Agreement, and all provisions of the Credit Agreement are and shall remain in full force and effect in accordance with the terms thereof. The Increasing Lender agrees that from and after the Increase Effective Date, its New Commitments set forth in Schedule I hereto shall be included in its Commitment and be governed for all purposes by the Credit Agreement and the other Loan Documents.

SECTION 5. Governing Law. This Increase Joinder shall be governed by, and construed in accordance with, the law of the State of New York. Each party hereto consents to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof and irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INCREASE JOINDER OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

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SECTION 7. Execution in Counterparts; Integration; Effectiveness. This Increase Joinder may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. This Increase Joinder constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Subject to the conditions of Section 2.27(b) of the Credit Agreement, this Increase Joinder shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed signature page of this Increase Joinder by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. The words “execution,” “signed,” “signature,” and words of like import in this Increase Joinder shall be

deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 8. Headings. Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Increase Joinder.

SECTION 9. Additional Provisions. Sections 10.05, 10.12 and 10.15 of the Credit Agreement are incorporated herein by reference as if the same were repeated herein in full, *mutatis mutandis*.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned has caused this Increase Joinder to be duly executed and delivered by its duly authorized officer as of the date first above written.

AMERICAN AIRLINES, INC.

By: /s/ Clemens Metz
Name: Clemens Metz
Title: Vice President and Treasurer

Signature Page
Increase Joinder

as Increasing Lender

[***],

By:
Name:
Title:

By:
Name:
Title:

Signature Page
Increase Joinder

CITIBANK, N.A., as Administrative Agent

By: /s/ Sara A. Lopez

Name: Sara A. Lopez

Title: Vice President

Signature Page
Increase Joinder

Increasing Lender's New Commitments

Increasing Lender	Increasing Lender's Revolving Commitment Increase	Increasing Lender's Total Revolving Commitment as of the Increase Effective Date
[***]	[***]	[***]

AMERICAN AIRLINES GROUP INC.

2023 INCENTIVE AWARD PLAN¹ARTICLE I.
PURPOSE

The Plan's purpose is to enhance the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company by providing these individuals with equity ownership opportunities.

ARTICLE II.
DEFINITIONS

As used in the Plan, the following words and phrases have the meanings specified below, unless the context clearly indicates otherwise:

2.1 "**Administrator**" means the Board or a Committee to the extent that the Board's powers or authority under the Plan have been delegated to such Committee. With reference to the Board's or a Committee's powers or authority under the Plan that have been delegated to one or more officers pursuant to Section 4.2, the term "Administrator" shall refer to such officer(s) unless and until such delegation has been revoked.

2.2 "**Applicable Law**" means any applicable law, including without limitation: (a) provisions of the Code, the Securities Act, the Exchange Act and any rules or regulations thereunder; (b) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether U.S. or non-U.S. federal, state or local; and (c) rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded.

2.3 "**Automatic Exercise Date**" means, with respect to an Option or a Stock Appreciation Right, the last business day of the applicable Option term or Stock Appreciation Right term that was initially established by the Administrator for such Option or Stock Appreciation Right (e.g., the last business day prior to the tenth anniversary of the date of grant of such Option or Stock Appreciation Right if the Option or Stock Appreciation Right initially had a ten-year Option term or Stock Appreciation Right term, as applicable).

2.4 "**Award**" means an Option award, Stock Appreciation Right award, Restricted Stock award, Restricted Stock Unit award, Performance Bonus Award, Performance Stock Unit award, Dividend Equivalents award or Other Stock or Cash Based Award granted to a Participant under the Plan.

2.5 "**Award Agreement**" means an agreement evidencing an Award, which may be written or electronic, that contains such terms and conditions as the Administrator determines, consistent with and subject to the terms and conditions of the Plan.

¹ As amended April 29, 2025

2.6 “**Board**” means the Board of Directors of the Company.

2.7 “**Change in Control**” means the occurrence of any of the following:

(a) within any 12-month period, the individuals who constitute the Board at the beginning of such period (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; or

(b) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, other than the Company, acquires (directly or indirectly) the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (“**Voting Power**”); or

(c) the Company consummates a merger, consolidation or reorganization of the Company or any other similar transaction or series of related transactions (collectively, a “**Transaction**”) other than (A) a Transaction in which the voting securities of the Company outstanding immediately prior thereto become (by operation of law), or are converted into or exchanged for, voting securities of the surviving corporation or its parent corporation immediately after such Transaction that are owned by the same person or entity or persons or entities as immediately prior thereto and possess at least 50% of the Voting Power held by the voting securities of the surviving corporation or its parent corporation, or (B) a Transaction effected to implement a recapitalization of the Company (or similar transaction) in which no person (excluding the Company or any person who held more than 50% of the Voting Power immediately prior to such Transaction) acquires more than 50% of the Voting Power; or

(d) the Company sells or otherwise disposes of, or consummates a transaction or series of related transactions providing for the sale or other disposition of, all or substantially all of the stock or assets of the Company, or enters into a plan for the complete liquidation of the Company.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Award which provides for the deferral of compensation and is subject to Section 409A of the Code, the transaction or event described in subsection (a), (b), (c) or (d) with respect to such Award must also constitute a “change in control event,” as defined in Treasury Regulation § 1.409A-3(i)(5) to the extent required by Section 409A.

The Administrator shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a “change in control event” as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

2.8 “**Code**” means the U.S. Internal Revenue Code of 1986, as amended, and all regulations, guidance, compliance programs and other interpretative authority issued thereunder.

2.9 “**Committee**” means one or more committees or subcommittees of the Board, which may include one or more Directors or executive officers of the Company, to the extent permitted by Applicable Law. To the extent required to comply with the provisions of Rule 16b-3, it is intended that each member of the Committee will be, at the time the Committee takes any action with respect to an Award that is subject to Rule 16b-3, a “non-employee director” within the meaning of Rule 16b-3; however, a Committee member’s failure to qualify as a “non-employee director” within the meaning of Rule 16b-3 will not invalidate any Award granted by the Committee that is otherwise validly granted under the Plan.

2.10 “**Common Stock**” means the common stock of the Company.

2.11 “**Company**” means American Airlines Group Inc., a Delaware corporation, or any successor.

2.12 “**Consultant**” means any person, including any adviser, engaged by the Company or a Subsidiary to render services to such entity if the consultant or adviser: (a) renders bona fide services to the Company or a Subsidiary; (b) renders services not in connection with the offer or sale of securities in a capital-raising transaction and does not directly or indirectly promote or maintain a market for the Company’s securities; and (c) is a natural person.

2.13 “**Designated Beneficiary**” means, if permitted by the Company, the beneficiary or beneficiaries the Participant designates, in a manner the Company determines, to receive amounts due or exercise the Participant’s rights if the Participant dies. Without a Participant’s effective designation, “Designated Beneficiary” will mean the Participant’s estate or legal heirs.

2.14 “**Director**” means a Board member.

2.15 “**Disability**” means a permanent and total disability under Section 22(e)(3) of the Code.

2.16 “**Dividend Equivalents**” means a right granted to a Participant to receive the equivalent value (in cash or Shares) of dividends paid on a specified number of Shares. Such Dividend Equivalent shall be converted to cash or additional Shares, or a combination of cash and Shares, by such formula and at such time and subject to such limitations as may be determined by the Administrator.

2.17 “**DRO**” means a “domestic relations order” as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder.

2.18 “**Effective Date**” has the meaning set forth in Section 11.3.

2.19 “**Employee**” means any employee of the Company or any of its Subsidiaries.

2.20 “**Equity Restructuring**” means a nonreciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split (including a reverse stock split), spin-off or recapitalization through a large, nonrecurring cash dividend, that affects the number or kind of Shares (or other Company securities) or the share price of Common Stock (or other Company securities) and causes a change in the per share value of the Common Stock underlying outstanding Awards.

2.21 “**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and all regulations, guidance and other interpretative authority issued thereunder.

2.22 “**Fair Market Value**” means, as of any date, the value of a Share determined as follows: (a) if the Common Stock is listed on any established stock exchange, the value of a Share will be the closing sales price for a Share as quoted on such exchange for such date, or if no sale occurred on such date, the last day preceding such date during which a sale occurred, as reported in *The Wall Street Journal* or another source the Administrator deems reliable; (b) if the Common Stock is not listed on an established stock exchange but is quoted on a national market or other quotation system, the value of a Share will be the closing sales price for a Share on such date, or if no sales occurred on such date, then on the last date preceding such date during which a sale occurred, as reported in *The Wall Street Journal* or another source the Administrator deems reliable; or (iii) if the Common Stock is not listed on any established stock exchange or quoted on a national market or other quotation system, the value established by the Administrator in its sole discretion.

2.23 “**Greater Than 10% Stockholder**” means an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or any parent corporation or subsidiary corporation of the Company, as determined in accordance with Section 424(e) and (f) of the Code, respectively.

2.24 “**Incentive Stock Option**” means an Option that meets the requirements to qualify as an “incentive stock option” as defined in Section 422 of the Code.

2.25 “**Non-Employee Director**” means a Director who is not an Employee.

2.26 “**Nonqualified Stock Option**” means an Option that is not an Incentive Stock Option.

2.27 “**Option**” means a right granted under Article VI to purchase a specified number of Shares at a specified price per Share during a specified time period. An Option may be either an Incentive Stock Option or a Nonqualified Stock Option.

2.28 “**Other Stock or Cash Based Awards**” means cash awards, awards of Shares, and other awards valued wholly or partially by referring to, or are otherwise based on, Shares or other property.

2.29 “**Overall Share Limit**” means the sum of (a) 17,200,000 Shares, plus (b) any Shares that are subject to Prior Plan Awards that become available for issuance under the Plan as

Shares pursuant to Article V, minus (c) any Shares subject to awards under the Prior Plan that are granted after March 22, 2023 and before the Effective Date.

2.30 “**Participant**” means a Service Provider who has been granted an Award.

2.31 “**Performance Bonus Award**” has the meaning set forth in Section 8.3.

2.32 “**Performance Stock Unit**” means a right granted to a Participant pursuant to Section 8.1 and subject to Section 8.2, to receive Shares or an amount of cash or other consideration determined by the Administrator to be of equal value as of the settlement date, the payment of which is contingent upon achieving certain performance goals or other performance-based targets established by the Administrator.

2.33 “**Permitted Transferee**” means, with respect to a Participant, any “family member” of the Participant, as defined in the General Instructions to Form S-8 Registration Statement under the Securities Act (or any successor form thereto), or any other transferee specifically approved by the Administrator after taking into account Applicable Law.

2.34 “**Plan**” means this 2023 Incentive Award Plan.

2.35 “**Prior Plan**” means the Company’s 2013 Incentive Award Plan, as it may be amended from time to time.

2.36 “**Prior Plan Award**” means an award outstanding under the Prior Plan as of March 22, 2023 or granted under the Prior Plan following such date and prior to the Effective Date.

2.37 “**Restricted Stock**” means Shares awarded to a Participant under Article VII, subject to certain vesting conditions and other restrictions.

2.38 “**Restricted Stock Unit**” means an unfunded, unsecured right to receive, on the applicable settlement date, one Share or an amount in cash or other consideration determined by the Administrator to be of equal value as of such settlement date, subject to certain vesting conditions and other restrictions.

2.39 “**Rule 16b-3**” means Rule 16b-3 promulgated under the Exchange Act, including any amendments thereto.

2.40 “**Section 409A**” means Section 409A of the Code.

2.41 “**Securities Act**” means the Securities Act of 1933, as amended, and all regulations, guidance and other interpretative authority issued thereunder.

2.42 “**Service Provider**” means an Employee, Consultant or Director.

2.43 “**Shares**” means shares of Common Stock.

2.44 “**Stock Appreciation Right**” or “**SAR**” means a right granted under Article VI to receive a payment equal to the excess of the Fair Market Value of a specified number of Shares on the date the right is exercised over the exercise price set forth in the applicable Award Agreement.

2.45 “**Subsidiary**” means any entity (other than the Company), whether U.S. or non-U.S., in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least 50% of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

2.46 “**Substitute Awards**” means Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, in each case by a company or other entity acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines.

2.47 “**Tax-Related Items**” means any U.S. and non-U.S. federal, state and/or local taxes (including, without limitation, income tax, social insurance contributions, fringe benefit tax, employment tax, stamp tax and any employer tax liability which has been transferred to a Participant) for which a Participant is liable in connection with Awards and/or Shares.

2.48 “**Termination of Service**” means:

(a) As to a Consultant, the time when the engagement of a Participant as a Consultant to the Company or a Subsidiary is terminated for any reason, including, without limitation, by resignation, discharge, death or retirement, but excluding terminations where the Consultant simultaneously commences or remains in employment or service with the Company or any Subsidiary.

(b) As to a Non-Employee Director, the time when a Participant who is a Non-Employee Director ceases to be a Director for any reason, including, without limitation, a termination by resignation, failure to be elected, death or retirement, but excluding terminations where the Participant simultaneously commences employment or service or remains in service with the Company or any Subsidiary.

(c) As to an Employee, the time when the employee-employer relationship between a Participant and the Company or any Subsidiary is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, disability or retirement; but excluding terminations where the Participant simultaneously commences or remains in employment or service with the Company or any Subsidiary.

The Company, in its sole discretion, shall determine the effect of all matters and questions relating to any Termination of Service, including, without limitation, whether a Termination of Service has occurred, whether a Termination of Service resulted from a discharge for cause and all questions of whether particular leaves of absence constitute a Termination of Service. For purposes of the Plan, a Participant’s employee-employer relationship or consultancy

relationship shall be deemed to be terminated in the event that the Subsidiary employing or contracting with such Participant ceases to remain a Subsidiary following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off), even though the Participant may subsequently continue to perform services for that entity.

ARTICLE III. ELIGIBILITY

Service Providers are eligible to be granted Awards under the Plan, subject to the limitations described herein. No Service Provider shall have any right to be granted an Award pursuant to the Plan and neither the Company nor the Administrator is obligated to treat Service Providers, Participants or any other persons uniformly.

ARTICLE IV. ADMINISTRATION AND DELEGATION

4.1 Administration.

(a) The Plan is administered by the Administrator. The Administrator has authority to determine which Service Providers receive Awards, grant Awards and set Award terms and conditions, subject to the conditions and limitations in the Plan. The Administrator also has the authority to take all actions and make all determinations under the Plan, to interpret the Plan and Award Agreements and to adopt, amend and repeal Plan administrative rules, guidelines and practices as it deems advisable. The Administrator may correct defects and ambiguities, supply omissions, reconcile inconsistencies in the Plan or any Award and make all other determinations that it deems necessary or appropriate to administer the Plan and any Awards. The Administrator (and each member thereof) is entitled to, in good faith, rely or act upon any report or other information furnished to the Administrator or member thereof by any officer or other Employee, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan. The Administrator's determinations under the Plan are in its sole discretion and will be final, binding and conclusive on all persons having or claiming any interest in the Plan or any Award.

(b) Without limiting the foregoing, the Administrator has the exclusive power, authority and sole discretion to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to each Participant; (iii) determine the number of Awards to be granted and the number of Shares to which an Award will relate; (iv) subject to the limitations in the Plan, determine the terms and conditions of any Award and related Award Agreement, including, but not limited to, the exercise price, grant price, purchase price, any performance criteria, any restrictions or limitations on the Award, any schedule for vesting, lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations, waivers or amendments thereof; (v) determine whether, to what extent, and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid in cash, Shares, or other property, or an Award may be cancelled, forfeited, or surrendered; and (vi) make all other decisions and

determinations that may be required pursuant to the Plan or as the Administrator deems necessary or advisable to administer the Plan.

4.2 Delegation of Authority. To the extent permitted by Applicable Law, the Board or any Committee may delegate any or all of its powers under the Plan to one or more Committees or officers of the Company or any of its Subsidiaries; provided, however, that in no event shall an officer of the Company or any of its Subsidiaries be delegated the authority to grant Awards to, or amend Awards held by, the following individuals: (a) individuals who are subject to Section 16 of the Exchange Act, or (b) officers of the Company or any of its Subsidiaries or Directors to whom authority to grant or amend Awards has been delegated hereunder. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation or that are otherwise included in the applicable organizational documents, and the Board or Committee, as applicable, may at any time rescind the authority so delegated or appoint a new delegate. At all times, the delegate appointed under this Section 4.2 shall serve in such capacity at the pleasure of the Board or the Committee, as applicable, and the Board or the Committee may abolish any committee at any time and re-vest in itself any previously delegated authority. Further, regardless of any delegation, the Board or a Committee may, in its discretion, exercise any and all rights and duties as the Administrator under the Plan delegated thereby, except with respect to Awards that are required to be determined in the sole discretion of the Board or Committee under the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded.

ARTICLE V. STOCK AVAILABLE FOR AWARDS

5.1 Number of Shares. Subject to adjustment under Article IX and the terms of this Article V, Awards may be made under the Plan covering up to the Overall Share Limit. As of the Effective Date, the Company will cease granting awards under the Prior Plan; however, Prior Plan Awards will remain subject to the terms of the Prior Plan. Shares issued or delivered under the Plan may consist of authorized but unissued Shares, Shares purchased on the open market or treasury Shares.

5.2 Share Recycling.

(a) If all or any part of an Award or a Prior Plan Award expires, lapses or is terminated, converted into an award in respect of shares of another entity in connection with a spin-off or other similar event, exchanged or settled for cash, surrendered, repurchased, cancelled without having been fully exercised or forfeited, in any case, in a manner that results in the Company acquiring Shares covered by the Award or Prior Plan Award at a price not greater than the price (as adjusted to reflect any Equity Restructuring) paid by the Participant for such Shares or not issuing any Shares covered by the Award or Prior Plan Award, the unused Shares covered by the Award or Prior Plan Award will, as applicable, become or again be available for Awards under the Plan. The payment of dividends or Dividend Equivalents in cash in conjunction with any outstanding Awards or Prior Plan Awards and any Awards that are settled in cash rather than by issuance of Shares shall not count against the Overall Share Limit.

(b) Notwithstanding anything in the Plan to the contrary, the following Shares shall not be available for future grants of Awards: (i) Shares tendered by a Participant or withheld by the Company in payment of the exercise price of an Option or any stock option granted under the Prior Plan; (ii) Shares tendered by a Participant or withheld by the Company to satisfy any tax withholding obligation with respect to an Award or any Prior Plan Award; (iii) Shares subject to a Stock Appreciation Right or stock appreciation right granted under the Prior Plan that are not issued in connection with the stock settlement of the Stock Appreciation Right or stock appreciation right on exercise; and (iv) Shares purchased on the open market with the cash proceeds from the exercise of Options or stock options granted under the Prior Plan.

5.3 Incentive Stock Option Limitations. Notwithstanding anything to the contrary herein, no more than 17,200,000 Shares (as adjusted to reflect any Equity Restructuring) may be issued pursuant to the exercise of Incentive Stock Options.

5.4 Substitute Awards. In connection with an entity's merger or consolidation with the Company or any Subsidiary or the Company's or any Subsidiary's acquisition of an entity's property or stock, the Administrator may grant Substitute Awards in respect of any options or other stock or stock-based awards granted before such merger or consolidation by such entity or its affiliate. Substitute Awards may be granted on such terms and conditions as the Administrator deems appropriate, notwithstanding limitations on Awards in the Plan. Substitute Awards will not count against the Overall Share Limit (nor shall Shares subject to a Substitute Award be added to the Shares available for Awards under the Plan as provided under Section 5.2 above), except that Shares acquired by exercise of substitute Incentive Stock Options will count against the maximum number of Shares that may be issued pursuant to the exercise of Incentive Stock Options under the Plan. Additionally, in the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as appropriately adjusted to reflect the transaction) may be used for Awards under the Plan and shall not count against the Overall Share Limit (and Shares subject to such Awards may again become available for Awards under the Plan as provided under Section 5.2 above); provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Service Providers prior to such acquisition or combination.

5.5 Non-Employee Director Award Limit. Notwithstanding any provision to the contrary in the Plan or in any policy of the Company regarding non-employee director compensation, the sum of the grant date fair value (determined as of the grant date in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or any successor thereto) of all equity-based Awards and the maximum amount that may become payable pursuant to all cash-based Awards that may be granted to a Service Provider as compensation for services as a Non-Employee Director during any calendar year shall not exceed \$1,500,000.

5.6 Award Vesting Limitations. Notwithstanding any other provision of the Plan to the contrary, no Award Agreement shall provide for vesting of the Award thereunder earlier than the first anniversary of the applicable grant date or, with respect to any such Award subject to performance-based vesting, based on an applicable performance period that is shorter than one year; provided, however, that, notwithstanding the foregoing, Awards that result in the issuance of no more than 5% of the Shares reserved for issuance under the Plan pursuant to Section 5.1 above may be granted to any one or more Participants without respect to such minimum vesting requirements. For purposes of Awards granted to Non-Employee Directors, a vesting period will be deemed to be one year if it runs from the date of one annual meeting of the Company's stockholders to the next annual meeting of the Company's stockholder, provided that the period between such meetings is not less than 50 weeks. Notwithstanding the foregoing, an Award Agreement may provide for the accelerated vesting, exercisability and/or payment (as applicable) of any Award upon the termination of the applicable Participant's status as Service Provider due to the Participant's death, disability, retirement or any other specified Termination of Service and/or in connection with the consummation of a Change in Control.

ARTICLE VI. STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

6.1 General. The Administrator may grant Options or Stock Appreciation Rights to one or more Service Providers, subject to such terms and conditions not inconsistent with the Plan as the Administrator shall determine. The Administrator will determine the number of Shares covered by each Option and Stock Appreciation Right, the exercise price of each Option and Stock Appreciation Right and the conditions and limitations applicable to the exercise of each Option and Stock Appreciation Right. A Stock Appreciation Right will entitle the Participant (or other person entitled to exercise the Stock Appreciation Right) to receive from the Company upon exercise of the exercisable portion of the Stock Appreciation Right an amount determined by multiplying (a) the excess, if any, of the Fair Market Value of one Share on the date of exercise over the exercise price per Share of the Stock Appreciation Right by (b) the number of Shares with respect to which the Stock Appreciation Right is exercised, subject to any limitations of the Plan or that the Administrator may impose, and payable in cash, Shares valued at Fair Market Value on the date of exercise or a combination of the two as the Administrator may determine or provide in the Award Agreement.

6.2 Exercise Price. The Administrator will establish each Option's and Stock Appreciation Right's exercise price and specify the exercise price in the Award Agreement. Subject to Section 6.7, the exercise price will not be less than 100% of the Fair Market Value on the grant date of the Option or Stock Appreciation Right. Notwithstanding the foregoing, in the case of an Option or Stock Appreciation Right that is a Substitute Award, the exercise price per share of the Shares subject to such Option or Stock Appreciation Right, as applicable, may be less than the Fair Market Value per share on the date of grant; provided that the exercise price of any Substitute Award shall be determined in accordance with the applicable requirements of Sections 424 and 409A of the Code.

6.3 Duration of Options. Subject to Section 6.7, each Option or Stock Appreciation Right will be exercisable at such times and as specified in the Award Agreement, provided that the term of an Option or Stock Appreciation Right will not exceed ten years; provided, further, that, unless otherwise determined by the Administrator or specified in the Award Agreement, (a) no portion of an Option or Stock Appreciation Right which is unexercisable at a Participant's Termination of Service shall thereafter become exercisable and (b) the portion of an Option or Stock Appreciation Right that is unexercisable at a Participant's Termination of Service shall automatically expire on the date of such Termination of Service. In addition, in no event shall an Option or Stock Appreciation Right granted to an Employee who is a non-exempt employee for purposes of overtime pay under the U.S. Fair Labor Standards Act of 1938 be exercisable earlier than six months after its date of grant. Notwithstanding the foregoing, if the Participant, prior to the end of the term of an Option or Stock Appreciation Right, commits an act of cause (as determined by the Administrator), or violates any non-competition, non-solicitation or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company or any of its Subsidiaries, the right to exercise the Option or Stock Appreciation Right, as applicable, may be terminated by the Company and the Company may suspend the Participant's right to exercise the Option or Stock Appreciation Right when it reasonably believes that the Participant may have participated in any such act or violation.

6.4 Exercise. Options and Stock Appreciation Rights may be exercised by delivering to the Company (or such other person or entity designated by the Administrator) a notice of exercise, in a form and manner the Company approves (which may be written, electronic or telephonic and may contain representations and warranties deemed advisable by the Administrator), signed or authenticated by the person authorized to exercise the Option or Stock Appreciation Right, together with, as applicable, (a) payment in full of the exercise price for the number of Shares for which the Option is exercised in a manner specified in Section 6.5 and (b) satisfaction in full of any withholding obligation for Tax-Related Items in a manner specified in Section 10.5. The Administrator may, in its discretion, limit exercise with respect to fractional Shares and require that any partial exercise of an Option or Stock Appreciation Right be with respect to a minimum number of Shares.

6.5 Payment Upon Exercise. The Administrator shall determine the methods by which payment of the exercise price of an Option shall be made, including, without limitation:

(a) Cash, check or wire transfer of immediately available funds; provided that the Company may limit the use of one of the foregoing methods if one or more of the methods below is permitted;

(b) If there is a public market for Shares at the time of exercise, unless the Company otherwise determines, (A) delivery (including electronically or telephonically to the extent permitted by the Company) of a notice that the Participant has placed a market sell order with a broker acceptable to the Company with respect to Shares then issuable upon exercise of the Option and that the broker has been directed to deliver promptly to the Company funds sufficient to pay the exercise price, or (B) the Participant's delivery to the Company of a copy of

irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company an amount sufficient to pay the exercise price by cash, wire transfer of immediately available funds or check; provided that such amount is paid to the Company at such time as may be required by the Company;

(c) To the extent permitted by the Administrator, delivery (either by actual delivery or attestation) of Shares owned by the Participant valued at their Fair Market Value on the date of delivery;

(d) To the extent permitted by the Administrator, surrendering Shares then issuable upon the Option's exercise valued at their Fair Market Value on the exercise date;

(e) To the extent permitted by the Administrator, delivery of a promissory note or any other lawful consideration; or

(f) To the extent permitted by the Administrator, any combination of the above payment forms.

6.6 Expiration of Option Term or Stock Appreciation Right Term: Automatic Exercise of In-The-Money Options and Stock Appreciation Rights. Unless otherwise provided by the Administrator in an Award Agreement or otherwise or as otherwise directed by a holder of an Option or a Stock Appreciation Right in writing to the Company, each vested and exercisable Option and Stock Appreciation Right outstanding on the Automatic Exercise Date with an exercise price per Share that is less than the sum of the Fair Market Value and any related broker's fees (as described in Section 11.19(c)) per Share as of such date shall automatically and without further action by the holder of the Option or Stock Appreciation Right or the Company be exercised on the Automatic Exercise Date. In the sole discretion of the Administrator, payment of the exercise price of any such Option shall be made pursuant to Section 6.5(b) or 6.5(d) and the Company or any Subsidiary shall be entitled to deduct or withhold an amount sufficient to satisfy any withholding obligation for Tax-Related Items associated with such exercise in accordance with Section 10.5. Unless otherwise determined by the Administrator, this Section 6.6 shall not apply to an Option or Stock Appreciation Right if the holder of such Option or Stock Appreciation Right incurs a Termination of Service on or before the Automatic Exercise Date. For the avoidance of doubt, no Option or Stock Appreciation Right with an exercise price per Share that is equal to or greater than the Fair Market Value per Share on the Automatic Exercise Date shall be exercised pursuant to this Section 6.6.

6.7 Additional Terms of Incentive Stock Options. The Administrator may grant Incentive Stock Options only to employees of the Company, any of its present or future parent or subsidiary corporations, as defined in Sections 424(e) or (f) of the Code, respectively, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code. If an Incentive Stock Option is granted to a Greater Than 10% Stockholder, the exercise price will not be less than 110% of the Fair Market Value on the Option's grant date, and the term of the Option will not exceed five years. All Incentive Stock Options (and Award Agreements related thereto) will be subject to and construed consistently with Section 422 of the

Code. By accepting an Incentive Stock Option, the Participant agrees to give prompt notice to the Company of dispositions or other transfers (other than in connection with a Change in Control) of Shares acquired under the Option made within the later of (a) two years from the grant date of the Option or (b) one year after the transfer of such Shares to the Participant, specifying the date of the disposition or other transfer and the amount the Participant realized, in cash, other property, assumption of indebtedness or other consideration, in such disposition or other transfer. Neither the Company nor the Administrator will be liable to a Participant, or any other party, if an Incentive Stock Option fails or ceases to qualify as an “incentive stock option” under Section 422 of the Code. Any Incentive Stock Option or portion thereof that fails to qualify as an “incentive stock option” under Section 422 of the Code for any reason, including becoming exercisable with respect to Shares having a fair market value exceeding the \$100,000 limitation under Treasury Regulation Section 1.422-4, will be a Nonqualified Stock Option.

**ARTICLE VII.
RESTRICTED STOCK; RESTRICTED STOCK UNITS**

7.1 General. The Administrator may grant Restricted Stock, or the right to purchase Restricted Stock, to any Service Provider, subject to forfeiture or the Company’s right to repurchase all or part of the underlying Shares at their issue price or other stated or formula price from the Participant if conditions the Administrator specifies in the Award Agreement are not satisfied before the end of the applicable restriction period or periods that the Administrator establishes for such Award. In addition, the Administrator may grant Restricted Stock Units, which may be subject to vesting and forfeiture conditions during the applicable restriction period or periods, as set forth in an Award Agreement, to Service Providers. The Administrator shall establish the purchase price, if any, and form of payment for Restricted Stock and Restricted Stock Units; provided, however, that if a purchase price is charged, such purchase price shall be no less than the par value, if any, of the Shares to be purchased, unless otherwise permitted by Applicable Law. In all cases, legal consideration shall be required for each issuance of Restricted Stock and Restricted Stock Units to the extent required by Applicable Law. The Award Agreement for each Award of Restricted Stock and Restricted Stock Units shall set forth the terms and conditions not inconsistent with the Plan as the Administrator shall determine.

7.2 Restricted Stock.

(a) *Stockholder Rights*. Unless otherwise determined by the Administrator, each Participant holding Shares of Restricted Stock will be entitled to all the rights of a stockholder with respect to such Shares, subject to the restrictions in the Plan and the applicable Award Agreement, including the right to receive all dividends and other distributions paid or made with respect to the Shares to the extent such dividends and other distributions have a record date that is on or after the date on which such Participant becomes the record holder of such Shares; provided, however, that with respect to a share of Restricted Stock subject to restrictions or vesting conditions, except in connection with a spin-off or other similar event as otherwise permitted under Section 9.2, dividends which are paid to Company stockholders prior to the removal of restrictions and satisfaction of vesting conditions shall only be paid to the Participant

to the extent that the restrictions are subsequently removed and the vesting conditions are subsequently satisfied and the share of Restricted Stock vests.

(b) *Stock Certificates*. The Company may require that the Participant deposit in escrow with the Company (or its designee) any stock certificates issued in respect of Shares of Restricted Stock, together with a stock power endorsed in blank.

(c) *Section 83(b) Election*. If a Participant makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Stock as of the date of transfer of the Restricted Stock rather than as of the date or dates upon which such Participant would otherwise be taxable under Section 83(a) of the Code, such Participant shall be required to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service along with proof of the timely filing thereof.

7.3 *Restricted Stock Units*. The Administrator may provide that settlement of Restricted Stock Units will occur upon or as soon as reasonably practicable after the Restricted Stock Units vest or will instead be deferred, on a mandatory basis or at the Participant's election, subject to compliance with Applicable Law. A Participant holding Restricted Stock Units will have only the rights of a general unsecured creditor of the Company (solely to the extent of any rights then applicable to Participant with respect to such Restricted Stock Units) until delivery of Shares, cash or other securities or property is made as specified in the applicable Award Agreement.

ARTICLE VIII. OTHER TYPES OF AWARDS

8.1 *General*. The Administrator may grant Performance Stock Unit awards, Performance Bonus Awards, Dividend Equivalents or Other Stock or Cash Based Awards, to one or more Service Providers, in such amounts and subject to such terms and conditions not inconsistent with the Plan as the Administrator shall determine.

8.2 *Performance Stock Unit Awards*. Each Performance Stock Unit award shall be denominated in a number of Shares or in unit equivalents of Shares or units of value (including a dollar value of Shares) and may be linked to any one or more of performance or other specific criteria, including service to the Company or Subsidiaries, determined to be appropriate by the Administrator, in each case on a specified date or dates or over any period or periods determined by the Administrator. In making such determinations, the Administrator may consider (among such other factors as it deems relevant in light of the specific type of award) the contributions, responsibilities and other compensation of the particular Participant.

8.3 *Performance Bonus Awards*. Each right to receive a bonus granted under this Section 8.3 shall be denominated in the form of cash (but may be payable in cash, stock or a combination thereof) (a "*Performance Bonus Award*") and shall be payable upon the attainment of performance goals that are established by the Administrator and relate to one or more of performance or other specific criteria, including service to the Company or Subsidiaries, in each case on a specified date or dates or over any period or periods determined by the Administrator.

8.4 Dividends and Dividend Equivalents. If the Administrator provides, an Award (other than an Option or Stock Appreciation Right) may provide a Participant with the right to receive dividends or Dividend Equivalents. Dividends and Dividend Equivalents may be paid currently or credited to an account for the Participant, settled in cash or Shares and subject to the same restrictions on transferability and forfeitability as the Award with respect to which the dividends or Dividend Equivalents are granted and subject to other terms and conditions as set forth in the Award Agreement. Notwithstanding anything to the contrary herein, dividends and Dividend Equivalents with respect to an Award subject to vesting shall either (a) to the extent permitted by Applicable Law, not be paid or credited or (b) be accumulated and subject to vesting to the same extent as the related Award. Any such dividends or Dividend Equivalents shall be paid at such time as the Administrator shall specify in the applicable Award Agreement or as determined by the Administrator in the event not specified in such Award Agreement. In no event shall dividends or Dividend Equivalents be paid with respect to Options or Stock Appreciation Rights.

8.5 Other Stock or Cash Based Awards. Other Stock or Cash Based Awards may be granted to Participants, including Awards entitling Participants to receive cash or Shares to be delivered in the future and annual or other periodic or long-term cash bonus awards (whether based on specified performance criteria or otherwise), in each case subject to any conditions and limitations in the Plan. Such Other Stock or Cash Based Awards will also be available as a payment form in the settlement of other Awards, as standalone payments and as payment in lieu of compensation to which a Participant is otherwise entitled, subject to compliance with Section 409A. Other Stock or Cash Based Awards may be paid in Shares, cash or other property, as the Administrator determines. Subject to the provisions of the Plan, the Administrator will determine the terms and conditions of each Other Stock or Cash Based Award, including any purchase price, performance goal(s), transfer restrictions, and vesting conditions, which will be set forth in the applicable Award Agreement. Except in connection with a spin-off or other similar event as otherwise permitted under Article IX, dividends that are scheduled to be paid prior to vesting of any Other Stock or Cash Based Award shall only be paid to the applicable Participant to the extent that the vesting conditions are subsequently satisfied and the Other Stock or Cash Based Award vests.

**ARTICLE IX.
ADJUSTMENTS FOR CHANGES IN COMMON STOCK
AND CERTAIN OTHER EVENTS**

9.1 Equity Restructuring. In connection with any Equity Restructuring, notwithstanding anything to the contrary in this Article IX, the Administrator will equitably adjust the terms of the Plan and each outstanding Award as it deems appropriate to reflect the Equity Restructuring, which may include (a) adjusting the number and type of securities subject to each outstanding Award or with respect to which Awards may be granted under the Plan (including, but not limited to, adjustments of the limitations in Article V hereof on the maximum number and kind of shares that may be issued); (b) adjusting the terms and conditions of (including the grant or exercise price), and the performance goals or other criteria included in, outstanding Awards; and (c) granting new Awards or making cash payments to Participants. The

adjustments provided under this Section 9.1 will be nondiscretionary and final and binding on all interested parties, including the affected Participant and the Company; provided that the Administrator will determine whether an adjustment is equitable.

9.2 Corporate Transactions. In the event of any extraordinary dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), reorganization, merger, consolidation, split-up, spin off, combination, amalgamation, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, Change in Control, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, other similar corporate transaction or event, other unusual or nonrecurring transaction or event affecting the Company or its financial statements or any change in any Applicable Law or accounting principles, the Administrator, on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event (except that action to give effect to a change in Applicable Law or accounting principles may be made within a reasonable period of time after such change) and either automatically or upon the Participant's request, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to (i) prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award granted or issued under the Plan, (ii) to facilitate such transaction or event or (iii) give effect to such changes in Applicable Law or accounting principles:

(a) To provide for the cancellation of any such Award in exchange for either an amount of cash or other property with a value equal to the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights under the vested portion of such Award, as applicable, in each case as of the date of such cancellation; provided that, if the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights, in any case, is equal to or less than zero, then the Award may be terminated without payment;

(b) To provide that such Award shall vest and, to the extent applicable, be exercisable as to all Shares (or other property) covered thereby, notwithstanding anything to the contrary in the Plan or the provisions of such Award;

(c) To provide that such Award be assumed by the successor or survivor corporation or entity, or a parent or subsidiary thereof, or shall be substituted for by awards covering the stock of the successor or survivor corporation or entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and applicable exercise or purchase price, in all cases, as determined by the Administrator;

(d) To make adjustments in the number and type of Shares (or other securities or property) subject to outstanding Awards or with respect to which Awards may be granted under the Plan (including, but not limited to, adjustments of the limitations in Article V hereof on

the maximum number and kind of shares which may be issued) or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Awards;

- (e) To replace such Award with other rights or property selected by the Administrator; or
- (f) To provide that the Award will terminate and cannot vest, be exercised or become payable after the applicable event.

9.3 **Change in Control.** Notwithstanding any other provision of the Plan, in the event of a Change in Control, the Administrator may take any actions with respect to outstanding Awards as it deems appropriate, consistent with applicable provisions of the Code and any applicable federal or state securities laws.

9.4 **Administrative Stand Still.** In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other extraordinary transaction or change affecting the Shares or the share price of Common Stock (including any Equity Restructuring or any securities offering or other similar transaction) or for reasons of administrative convenience or to facilitate compliance with any Applicable Law, the Company may refuse to permit the exercise or settlement of one or more Awards for such period of time as the Company may determine to be reasonably appropriate under the circumstances.

9.5 **General.** Except as expressly provided in the Plan or the Administrator's action under the Plan, no Participant will have any rights due to any subdivision or consolidation of Shares of any class, dividend payment, increase or decrease in the number of Shares of any class or dissolution, liquidation, merger, or consolidation of the Company or other corporation. Except as expressly provided with respect to an Equity Restructuring under Section 9.1 above or the Administrator's action under the Plan, no issuance by the Company of Shares of any class, or securities convertible into Shares of any class, will affect, and no adjustment will be made regarding, the number of Shares subject to an Award or the Award's grant price or exercise price. The existence of the Plan, any Award Agreements and the Awards granted hereunder will not affect or restrict in any way the Company's right or power to make or authorize (a) any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, (b) any merger, consolidation, spinoff, dissolution or liquidation of the Company or sale of Company assets or (c) any sale or issuance of securities, including securities with rights superior to those of the Shares or securities convertible into or exchangeable for Shares.

ARTICLE X. PROVISIONS APPLICABLE TO AWARDS

10.1 **Transferability.**

(a) No Award may be sold, assigned, transferred, pledged or otherwise encumbered, either voluntarily or by operation of law, except by will or the laws of descent and distribution, or, subject to the Administrator's consent, pursuant to a DRO, unless and until such

Award has been exercised or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed. During the life of a Participant, Awards will be exercisable only by the Participant, unless it has been disposed of pursuant to a DRO. After the death of a Participant, any exercisable portion of an Award may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Award Agreement, be exercised by the Participant's personal representative or by any person empowered to do so under the deceased Participant's will or under the then-Applicable Law of descent and distribution. References to a Participant, to the extent relevant in the context, will include references to a transferee approved by the Administrator.

(b) Notwithstanding Section 10.1(a), the Administrator, in its sole discretion, may determine to permit a Participant or a Permitted Transferee of such Participant to transfer an Award other than an Incentive Stock Option (unless such Incentive Stock Option is intended to become a Nonqualified Stock Option) to any one or more Permitted Transferees of such Participant, subject to the following terms and conditions: (i) an Award transferred to a Permitted Transferee shall not be assignable or transferable by the Permitted Transferee other than (A) to another Permitted Transferee of the applicable Participant or (B) by will or the laws of descent and distribution or, subject to the consent of the Administrator, pursuant to a DRO; (ii) an Award transferred to a Permitted Transferee shall continue to be subject to all the terms and conditions of the Award as applicable to the original Participant (other than the ability to further transfer the Award to any person other than another Permitted Transferee of the applicable Participant); (iii) the Participant (or transferring Permitted Transferee) and the receiving Permitted Transferee shall execute any and all documents requested by the Administrator, including, without limitation, documents to (A) confirm the status of the transferee as a Permitted Transferee, (B) satisfy any requirements for an exemption for the transfer under Applicable Law and (C) evidence the transfer; and (iv) any transfer of an Award to a Permitted Transferee shall be without consideration, except as required by Applicable Law. In addition, and further notwithstanding Section 10.1(a), the Administrator, in its sole discretion, may determine to permit a Participant to transfer Incentive Stock Options to a trust that constitutes a Permitted Transferee if, under Section 671 of the Code and other Applicable Law, the Participant is considered the sole beneficial owner of the Incentive Stock Option while it is held in the trust.

(c) Notwithstanding Section 10.1(a), if permitted by the Administrator, a Participant may, in the manner determined by the Administrator, designate a Designated Beneficiary. A Designated Beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant and any additional restrictions deemed necessary or appropriate by the Administrator. If the Participant is married or a domestic partner in a domestic partnership qualified under Applicable Law and resides in a community property state, a designation of a person other than the Participant's spouse or domestic partner, as applicable, as the Participant's Designated Beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written or electronic consent of the Participant's spouse or domestic partner. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time; provided that the change or revocation is

delivered in writing to the Administrator prior to the Participant's death. For clarity, no Award may be transferred to a third party for monetary consideration.

10.2 Documentation. Each Award will be evidenced in an Award Agreement in such form as the Administrator determines in its discretion. Each Award may contain such terms and conditions as are determined by the Administrator in its sole discretion, to the extent not inconsistent with those set forth in the Plan.

10.3 Discretion. Except as the Plan otherwise provides, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award to a Participant need not be identical, and the Administrator need not treat Participants or Awards (or portions thereof) uniformly.

10.4 Changes in Participant's Status. The Administrator will determine how the disability, death, retirement, authorized leave of absence or any other change or purported change in a Participant's Service Provider status affects an Award and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, guardian or Designated Beneficiary may exercise rights under the Award, if applicable. Except to the extent otherwise required by Applicable Law or expressly authorized by the Company or by the Company's written policy on leaves of absence, no service credit shall be given for vesting purposes for any period the Participant is on a leave of absence.

10.5 Withholding. Each Participant must pay the Company or a Subsidiary, as applicable, or make provision satisfactory to the Administrator for payment of, any Tax-Related Items to be withheld in connection with such Participant's Awards and/or Shares. At the Company's discretion and subject to any Company insider trading policy (including black-out periods), any withholding obligation for Tax-Related Items may be satisfied by (a) deducting an amount sufficient to satisfy such withholding obligation from any payment of any kind otherwise due to a Participant; (b) accepting a payment from the Participant in cash, by wire transfer of immediately available funds, or by check made payable to the order of the Company or a Subsidiary, as applicable; (c) accepting the delivery of Shares, including Shares delivered by attestation; (d) retaining Shares from an Award; (e) if there is a public market for Shares at the time the withholding obligation for Tax-Related Items is to be satisfied, selling Shares issued pursuant to an Award, either voluntarily by the Participant or mandatorily by the Company; (f) accepting delivery of a promissory note or any other lawful consideration; (g) any other method of withholding determined by the Company and, to the extent required by Applicable Law or the Plan, approved by the Administrator; or (h) any combination of the foregoing payment forms. The amount withheld pursuant to any of the foregoing payment forms shall be determined by the Company and may be up to, but no greater than, the aggregate amount of such obligations based on the maximum statutory withholding rates in the applicable Participant's jurisdiction for all Tax-Related Items.

10.6 Amendment of Award. The Administrator may amend, modify or terminate any outstanding Award, including by substituting another Award of the same or a different type, changing the exercise or settlement date, and converting an Incentive Stock Option to a Nonqualified Stock Option. The Participant's consent to such action will be required unless (a)

the action, taking into account any related action, does not materially and adversely affect the Participant's rights under the Award, or (b) the change is permitted under Article IX or pursuant to Section 11.6.

10.7 Prohibition on Repricing. Except pursuant to Article IX, the Administrator shall not, without the approval of the Company's stockholders, (a) amend any outstanding Option or Stock Appreciation Right to reduce its exercise price per Share or (b) cancel any Option or Stock Appreciation Right in exchange for cash or another Award when the exercise price of such Option or Stock Appreciation Right exceeds the Fair Market Value of the underlying Shares.

10.8 Conditions on Delivery of Stock. The Company will not be obligated to deliver any Shares under the Plan or remove restrictions from Shares previously delivered under the Plan until (a) all Award conditions have been met or removed to the Company's satisfaction, (b) as determined by the Company, all other legal matters regarding the issuance and delivery of such Shares have been satisfied, including, without limitation, any applicable securities laws and stock exchange or stock market rules and regulations, (c) any approvals from governmental agencies that the Company determines are necessary or advisable have been obtained, and (d) the Participant has executed and delivered to the Company such representations or agreements as the Administrator deems necessary or appropriate to satisfy Applicable Law. The inability or impracticability of the Company to obtain or maintain authority to issue or sell any securities from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained, and shall constitute circumstances in which the Administrator may determine to amend or cancel Awards pertaining to such Shares, with or without consideration to the Participant.

10.9 Acceleration. The Administrator may at any time provide that any Award will become immediately vested and fully or partially exercisable, free of some or all restrictions or conditions, or otherwise fully or partially realizable.

ARTICLE XI. MISCELLANEOUS

11.1 No Right to Employment or Other Status. No person will have any claim or right to be granted an Award, and the grant of an Award will not be construed as giving a Participant the right to commence or continue employment or any other relationship with the Company or a Subsidiary. The Company and its Subsidiaries expressly reserve the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan or any Award, except as expressly provided in an Award Agreement or other written agreement between the Participant and the Company or any Subsidiary.

11.2 No Rights as Stockholder; Certificates. Subject to the Award Agreement, no Participant or Designated Beneficiary will have any rights as a stockholder with respect to any Shares to be distributed under an Award until becoming the record holder of such Shares. Notwithstanding any other provision of the Plan, unless the Administrator otherwise determines

or Applicable Law requires, the Company will not be required to deliver to any Participant certificates evidencing Shares issued in connection with any Award and instead such Shares may be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator). The Company may place legends on any share certificate or book entry to reference restrictions applicable to the Shares (including, without limitation, restrictions applicable to Restricted Stock).

11.3 Effective Date. The Board approved the Plan on March 22, 2023, subject to the approval of the Company's stockholders. The Plan will become effective on the date it is approved by the Company's stockholders (the "**Effective Date**"). If the Plan is not approved by the Company's stockholders on or before March 22, 2024, the Plan will not become effective. No Incentive Stock Option may be granted pursuant to the Plan after the tenth anniversary of the date the Plan was approved by the Board.

11.4 Amendment of Plan. The Administrator may amend, suspend or terminate the Plan at any time and from time to time; provided that (a) no amendment requiring stockholder approval to comply with Applicable Law shall be effective unless approved by the stockholders, and (b) no amendment, other than an increase to the Overall Share Limit or pursuant to Article IX or Section 11.6, may materially and adversely affect any Award outstanding at the time of such amendment without the affected Participant's consent. No Awards may be granted under the Plan during any suspension period or after Plan termination. Awards outstanding at the time of any Plan suspension or termination will continue to be governed by the Plan and the Award Agreement, as each in effect before such suspension or termination. The Administrator will obtain stockholder approval of any Plan amendment to the extent necessary to comply with Applicable Law.

11.5 Provisions for Non-U.S. Participants. The Administrator may modify Awards granted to Participants who are nationals of a country other than the United States or employed or residing outside the United States, establish subplans or procedures under the Plan or take any other necessary or appropriate action to address Applicable Law, including (a) differences in laws, rules, regulations or customs of such jurisdictions with respect to tax, securities, currency, employee benefit or other matters, (b) listing and other requirements of any non-U.S. securities exchange, and (c) any necessary local governmental or regulatory exemptions or approvals.

11.6 Section 409A.

(a) *General*. The Company intends that all Awards be structured to comply with, or be exempt from, Section 409A, such that no adverse tax consequences, interest, or penalties under Section 409A apply. Notwithstanding anything in the Plan or any Award Agreement to the contrary, the Administrator may, without a Participant's consent, amend this Plan or Awards, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and retroactive actions) as are necessary or appropriate to preserve the intended tax treatment of Awards, including any such actions intended to (i) exempt this Plan or any Award from Section 409A, or (ii) comply with Section 409A, including regulations, guidance, compliance programs and other interpretative authority that may be issued after an Award's grant date. The Company makes no representations or warranties as to an Award's tax

treatment under Section 409A or otherwise. The Company will have no obligation under this Section 11.6 or otherwise to avoid the taxes, penalties or interest under Section 409A with respect to any Award and will have no liability to any Participant or any other person if any Award, compensation or other benefits under the Plan are determined to constitute noncompliant “nonqualified deferred compensation” subject to taxes, penalties or interest under Section 409A.

(b) *Separation from Service.* If an Award constitutes “nonqualified deferred compensation” under Section 409A, any payment or settlement of such Award upon a Participant’s Termination of Service will, to the extent necessary to avoid taxes under Section 409A, be made only upon the Participant’s “separation from service” (within the meaning of Section 409A), whether such “separation from service” occurs upon or after the Participant’s Termination of Service. For purposes of this Plan or any Award Agreement relating to any such payments or benefits, references to a “termination,” “termination of employment” or like terms means a “separation from service.”

(c) *Payments to Specified Employees.* Notwithstanding any contrary provision in the Plan or any Award Agreement, any payment(s) of “nonqualified deferred compensation” required to be made under an Award to a “specified employee” (as defined under Section 409A and as the Administrator determines) due to such employee’s “separation from service” will, to the extent necessary to avoid taxes under Section 409A(a)(2)(B)(i) of the Code, be delayed for the six-month period immediately following such “separation from service” (or, if earlier, until the specified employee’s death) and will instead be paid (as set forth in the Award Agreement) on the day immediately following such six-month period or as soon as administratively practicable thereafter (without interest). Any payments of “nonqualified deferred compensation” under such Award payable more than six months following the Participant’s “separation from service” will be paid at the time or times the payments are otherwise scheduled to be made.

(d) *Separate Payments.* If an Award includes a “series of installment payments” within the meaning of Section 1.409A-2(b)(2) (iii) of Section 409A, the Participant’s right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment and, if an Award includes “dividend equivalents” within the meaning of Section 1.409A-3(e) of Section 409A, the Participant’s right to receive the dividend equivalents will be treated separately from the right to other amounts under the Award.

11.7 Limitations on Liability. Notwithstanding any other provisions of the Plan and to the fullest extent permitted by Applicable Law and the Company’s certificate of incorporation, bylaws and other governing documents, (a) no individual acting as an Administrator, Director, officer or other Employee will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan or any Award, and such individual will not be personally liable with respect to the Plan because of any contract or other instrument executed in such person’s capacity as an Administrator, Director, officer or other Employee, and (b) the Company will indemnify and hold harmless each Director, officer or other Employee that has been or will be granted or delegated any duty or power relating to the Plan’s administration or interpretation, against any cost or expense (including attorneys’ fees) or liability (including any sum paid in settlement of a

claim with the Administrator's approval) arising from any act or omission concerning this Plan unless arising from such person's own fraud or bad faith; provided that such person gives the Company an opportunity, at its own expense, to handle and defend the same before undertaking to handle and defend it on such person's own behalf.

11.8 Data Privacy. As a condition for receiving any Award, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this Section 11.8 by and among the Company and its Subsidiaries and affiliates exclusively for implementing, administering and managing the Participant's participation in the Plan. The Company and its Subsidiaries and affiliates may hold certain personal information about a Participant, including the Participant's name, address and telephone number; birthdate; social security, insurance number or other identification number; salary; nationality; job title(s); any Shares held in the Company or its Subsidiaries and affiliates; and Award details, to implement, manage and administer the Plan and Awards (the "**Data**"). The Company and its Subsidiaries and affiliates may transfer the Data amongst themselves as necessary to implement, administer and manage a Participant's participation in the Plan, and the Company and its Subsidiaries and affiliates may transfer the Data to third parties assisting the Company with Plan implementation, administration and management. These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than a recipient's country. By accepting an Award, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, to implement, administer and manage the Participant's participation in the Plan, including any required Data transfer to a broker or other third party with whom the Company or the Participant may elect to deposit any Shares. The Data related to a Participant will be held only as long as necessary to implement, administer, and manage the Participant's participation in the Plan. A Participant may, at any time, view the Data that the Company holds regarding such Participant, request additional information about the storage and processing of the Data regarding such Participant, recommend any necessary corrections to the Data regarding the Participant or refuse or withdraw the consents in this Section 11.8 in writing, without cost, by contacting the local human resources representative. The Company may cancel Participant's ability to participate in the Plan and, in the Administrator's sole discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws the consents in this Section 11.8. For more information on the consequences of refusing or withdrawing consent, Participants may contact their local human resources representative.

11.9 Severability. If any portion of the Plan or any action taken under it is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provisions had been excluded, and the illegal or invalid action will be null and void.

11.10 Governing Documents. If any contradiction occurs between the Plan and any Award Agreement or other written agreement between a Participant and the Company (or any Subsidiary), the Plan will govern, unless such Award Agreement or other written agreement was approved by the Administrator and expressly provides that a specific provision of the Plan will not apply.

11.11 Governing Law. The Plan and all Awards will be governed by and interpreted in accordance with the laws of the State of Delaware, without regard to the conflict of law rules thereof or of any other jurisdiction. By accepting an Award, each Participant irrevocably and unconditionally consents to submit, at the Company's discretion, to the exclusive jurisdiction of the courts of the State of Delaware and of the United States of America, in each case located in the State of Delaware, for any action arising out of or relating to the Plan (and agrees not to commence any litigation relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to the address contained in the records of the Company shall be effective service of process for any litigation brought against it in any such court. By accepting an Award, each Participant irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of the Plan or Award hereunder in the courts of the State of Delaware or the United States of America, in each case located in the State of Delaware, and further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum. By accepting an Award, each Participant irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any and all rights to trial by jury in connection with any litigation arising out of or relating to the Plan or any Award hereunder.

11.12 Clawback Provisions. All Awards (including the gross amount of any proceeds, gains or other economic benefit the Participant actually or constructively receives upon receipt or exercise of any Award or the receipt or resale of any Shares underlying the Award) will be subject to recoupment by the Company to the extent required to comply with Applicable Law or any policy of the Company providing for the reimbursement of incentive compensation, whether or not such policy was in place at the time of grant of an Award.

11.13 Titles and Headings. The titles and headings in the Plan are for convenience of reference only and, if any conflict, the Plan's text, rather than such titles or headings, will control.

11.14 Conformity to Applicable Law. Participant acknowledges that the Plan is intended to conform to the extent necessary with Applicable Law. Notwithstanding anything herein to the contrary, the Plan and all Awards will be administered only in a manner intended to conform with Applicable Law. To the extent Applicable Law permits, the Plan and all Award Agreements will be deemed amended as necessary to conform to Applicable Law. For the avoidance of doubt and notwithstanding anything herein to the contrary, any provisions relating to exculpation or indemnification of directors, officers, employees or others under the Plan and all Awards will be administered and construed in accordance with Applicable Law and the Company's certificate of incorporation, bylaws and other governing documents.

11.15 Relationship to Other Benefits. No payment under the Plan will be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary, except as expressly provided in writing in such other plan or an agreement thereunder.

11.16 Unfunded Status of Awards. The Plan is intended to be an “unfunded” plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

11.17 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan and any Award granted or awarded to any individual who is then subject to Section 16 of the Exchange Act shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

11.18 Prohibition on Executive Officer and Director Loans. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a Director or an “executive officer” of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to make payment with respect to any Awards granted under the Plan, or continue any extension of credit with respect to such payment, with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act.

11.19 Broker-Assisted Sales. In the event of a broker-assisted sale of Shares in connection with the payment of amounts owed by a Participant under or with respect to the Plan or Awards, including amounts to be paid under the final sentence of Section 10.5: (a) any Shares to be sold through the broker-assisted sale will be sold on the day the payment first becomes due, or as soon thereafter as practicable; (b) such Shares may be sold as part of a block trade with other Participants in the Plan in which all Participants receive an average price; (c) the applicable Participant will be responsible for all broker’s fees and other costs of sale, and by accepting an Award, each Participant agrees to indemnify and hold the Company and its Directors, officers and other Employees harmless from any losses, costs, damages, or expenses relating to any such sale; (d) to the extent the Company or its designee receives proceeds of such sale that exceed the amount owed, the Company will pay such excess in cash to the applicable Participant as soon as reasonably practicable; (e) the Company and its designees are under no obligation to arrange for such sale at any particular price; and (f) in the event the proceeds of such sale are insufficient to satisfy the Participant’s applicable obligation, the Participant may be required to pay immediately upon demand to the Company or its designee an amount in cash sufficient to satisfy any remaining portion of the Participant’s obligation.

* * * * *

SUPPLEMENTAL AGREEMENT NO. 35

to

PURCHASE AGREEMENT NO. 03735

between

THE BOEING COMPANY

and

AMERICAN AIRLINES, INC.

Relating to Boeing Model 737 MAX Aircraft

This SUPPLEMENTAL AGREEMENT No. 35 (**SA-35**) To PURCHASE AGREEMENT NO. 03735, entered into as of June 30, 2025 (**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, Boeing provided to Customer notice No. AAL-NM-2503357, dated June 3, 2025, [****] to Customer for [****] Aircraft, each capitalized term as defined in Letter Agreement No. AAL-PA-3735-LA-2306984 entitled "[****]" (the [****]);

WHEREAS, Customer provided notice to Boeing, on June 10, 2025, [****] Aircraft and Boeing and Customer agree to [****] such [****] Aircraft (now a [****] Aircraft (as defined in the [****])) to the following [****] (as defined in the [****]) as shown below:

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

;

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-34 in the footer is deleted in its entirety and is replaced with the new “Table of Contents” (attached hereto) referencing SA-35 in the footer to reflect changes made to the Purchase Agreement by this SA-35. Such new Table of Contents is hereby incorporated into the Purchase Agreement in replacement of its predecessor.

2. Tables.

Table 1-7. Table 1-7 of the Purchase Agreement titled “[****] Aircraft Delivery Description, Price and Advance Payments,” is hereby deleted in its entirety and replaced with a new Table 1-7 titled “[****] Delivery Description, Price and Advance Payments,” attached hereto, referencing SA-35 in the footer.¹

3. Letter Agreement.

Special Matters – 737-10 Aircraft. Letter Agreement No. AAL-PA-03735-LA-2306975 is hereby deleted in its entirety and replaced with Letter Agreement No. AAL-PA-03735-LA-2306975R1 (attached hereto) entitled “[****]”, (**Revised [****] Letter Agreement**), referencing SA-35 in the footer, to reflect [****] (as defined in the [****]) for each of the [****] Aircraft listed in the table above and to memorialize the parties [****] in Section 2.2(iii) of the [****] LA related to the [****] for the [****] Aircraft. The Revised [****] Letter Agreement is hereby incorporated into the Purchase Agreement.

4. [****].

Upon execution of this SA-35, [****] [****]. [****] for the [****] Aircraft, [****] in this SA-35, will be [****] with the [****].

5. Miscellaneous.

5.1 The Purchase Agreement is amended and supplemented as set forth above by the revised Table of Contents, Revised [****] Letter Agreement and the new

¹ The parties note that the prior convention for updating tables has been for each new version to be labeled Table 1-XXRX; however, for ease of reference, the parties have decided to no longer add the RX to the end of the Table reference.

Table 1-7. All other terms and conditions of the Purchase Agreement remain unchanged and are in full force and effect.

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

<u>Reference</u>	<u>Replacement Reference</u>
Letter Agreement No. AAL-PA-03735-LA-2306975	Letter Agreement No. AAL-PA-03735-LA-2306975R1

5.3 If Boeing or Customer determines that references described in Section 5.2 of this SA-35 should be further amended or other references in the Purchase Agreement and any supplemental agreements and associated letter agreements need to be amended as a result of this SA-35, then Boeing and Customer will work together for a mutually agreeable solution.

The rest of this page is intentionally left blank

AGREED AND ACCEPTED this

June 30, 2025

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

VP, Financial Planning & Analysis

Title

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**SA
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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 1-7 To
Purchase Agreement No. PA-03735
[****] Aircraft Delivery, Description, Price and Advance Payments

Airframe Model/MTOW:	737-10	[****] pounds	Detail Specification:	[****]
Engine Model/Thrust:	CFMLEAP-1B27	[****] pounds	Airframe Price Base Year/Escalation Formula:	[****] [****]
Airframe Price:		\$[****]	Engine Price Base Year/Escalation Formula:	
Optional Features:		\$[****]		
Sub-Total of Airframe and Features:		\$[****]	<u>Airframe Escalation Data:</u>	
Engine Price (Per Aircraft):		\$[****]	Base Year Index (ECI):	[****]
Aircraft Basic Price (Excluding BFE/SPE):		\$[****]	Base Year Index (CPI):	[****]
Buyer Furnished Equipment (BFE) Estimate:		\$[****]		
In-Flight Entertainment (IFE) Estimate:		\$[****]		
LIFT Seats Provided by Boeing (Estimate):		\$[****]		
Deposit per Aircraft:		\$[****]		

Delivery Date	[****] (if Applicable)^	Number of Aircraft	Escalation Factor (Airframe)	Notes	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
							[****]	[****]	[****]	[****]
[****]-2028		1	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028			[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028			[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028		2	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028			[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028			[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028		3	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028			[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028			[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028		3	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028			[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2028			[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]

Table 1-7 To
Purchase Agreement No. PA-03735
[****] Aircraft Delivery, Description, Price and Advance Payments

Delivery Date	[****] (if Applicable)^	Number of Aircraft	Escalation Factor (Airframe)	Notes	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 [****]	
[****]-2028		2	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2028			[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2028			[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2028		3	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2028			[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2028			[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2028		3	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2028			[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2028			[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2028		3	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2028			[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2028			[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2028		2	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2029			[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2029			[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2029	[****]-[****]	1	[****]	1	No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2029	[****]-[****]		[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2029	[****]-[****]		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2029		1	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2029			[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2029			[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2029	[***]-[****]	2	[****]	1	No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	
[****]-2029	[***]-[****]		[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2029	[***]-[****]		[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]

Table 1-7 To
Purchase Agreement No. PA-03735
[****] Aircraft Delivery, Description, Price and Advance Payments

Delivery Date	[****] (if Applicable)^	Number of Aircraft	Escalation Factor (Airframe)	Notes	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 [****]
[****]-2029		2	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2029	[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]		
[****]-2029	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]		
[****]-2029		1	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2029	[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]		
[****]-2029	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]		
[****]-2029		2	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2029	[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]		
[****]-2029	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]		
[****]-2029		1	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2029	[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]		
[****]-2029	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]		
[****]-2029		1	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]
[****]-2029	[****]		Yes	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]		
[****]-2029	[****]		No	\$[****]	\$[****]	\$[****]	\$[****]	\$[****]		

Total: 30

*[****]

^[****]

Notes:

1 - [****]



The Boeing Company

P.O. Box 3707
Seattle, WA 98124 2207

AAL-PA-03735-LA-2306975R1

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 will have the same meaning as in the Purchase Agreement.

1. Definitions.

[****] means [****] ([****]) and [****] pursuant to Letter Agreement No. AAL-PA-03735-LA-1106651R14 entitled “[****]”.

[****] means [****] pursuant to Letter Agreement No. AAL-PA-03735-LA-2306978 entitled “[****]”.

[****] means [****] to the Purchase Agreement as of the date of this Letter Agreement.

2. [****]. [****] Section 2.1 of the Purchase Agreement, Boeing will [****], [****], or [****]. However, if Boeing [****], [****], or [****] as set forth in the proceeding sentence, the [****], [****], or [****].

3. [****].

3.1 [****] [****], Boeing will [****]:

3.1.1 [****]. A [****] ([****]) in the [****] ([****]). The [****] ([****]) and will be [****].

3.1.2 [****]. A [****] ([****]) in the [****] ([****]). Customer [****].

3.1.3 [****]. A [****] ([****]) in the [****] ([****]), [****] ([****]) of [****] ([****]) of [****], and [****] ([****]) of [****], in [****]. The [****] ([****]) [****] to the Purchase Agreement in accordance with the terms and conditions of the Purchase Agreement. The [****] to the Purchase Agreement in accordance with the terms and conditions of the Purchase Agreement [****]. In the event [****].

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[****] Page 1

BOEING AND AMERICAN PROPRIETARY

3.1.4 [****]. An [****] ([****]) in the [****] ([****]). The [****].

3.1.5 ¹[****]. For [****] noted in [****] (as defined in the [****] LA, as defined below), Boeing will [****] in accordance with and as described in [****] of Letter Agreement No. AAL-PA-3735-2306984, as amended, entitled “[****]” (the [****] LA) in the [****] of [****] ([****]) on [****] (as defined in the [****] LA) as shown below:

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

3.2 [****]. The [****] for any and all [****] will be [****] in accordance with Article 2.2(iii) of the [****] LA.

4. [****][****]

4.1 [****]. At the [****], Boeing will [****]:

4.1.1 [****]. An [****] ([****]) in the [****] ([****]). The [****] ([****]) and will be [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the respective Incremental Aircraft.

4.1.2 [****]. An [****] ([****]) in the [****] ([****]), [****]. The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****]. The [****] ([****]) [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****]. In the event [****], [****] and [****], the [****].

4.1.3 [****]. A [****] ([****]) in the [****] ([****]). The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****].

4.1.4 [****]. A [****] ([****]) in the [****] ([****]). The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****].

4.1.5 [****]. In [****] ([****]) in the [****] ([****]). The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****].

4.1.6 [****]. In [****] ([****]) in the [****] ([****]). The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****].

¹ Articles that are bolded in their entirety are new as of R1 of this Letter Agreement.

4.1.7 [****]. A [****] ([****]) in the [****] ([****]). The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****].

4.2 [****]. At the [****], Boeing will [****]:

4.2.1 [****]. A [****] ([****]) in the [****] ([****]). The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****].

4.2.2 [****]. A [****] ([****]) in the [****] ([****]), [****]. The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****]. The [****] ([****]) [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement. In the event [****].

4.2.3 [****]. A [****] ([****]) in the [****] ([****]). The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****].

4.2.4 [****]. A [****] ([****]) in the [****] ([****]). The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the for the [****].

4.2.5 [****]. In [****] ([****]) in the [****] ([****]). The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****].

4.2.6 [****]. A [****] ([****]) in the [****] ([****]). The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****].

4.3 [****]. At the [****], Boeing will [****]:

4.3.1 [****]. A [****] ([****]) in the [****] ([****]). The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****].

4.3.2 [****]. A [****] ([****]) in the [****] ([****]), [****]. The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****]. In the event [****]. The [****] ([****]) [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****].

4.3.3 [****]. A [****] ([****]) in the [****] ([****]). The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****].

4.3.4 [****]. A [****] ([****]) in the [****] ([****]). The [****] set forth in the Purchase Agreement and in accordance with the terms and conditions of the Purchase Agreement for the [****].

5. [****].
5.1 If [****] of the following [****] Aircraft that is to be delivered by Boeing to Customer, [****] Aircraft [****], Boeing [****] ([****]) in the [****] ([****]):

- i) [****]; and
- ii) [****]; and
- iii) The [****].

5.2 The [****] ([****]).

6. [****]. [****] ([****]) in the [****] ([****]). Customer [****] for [****].

7. [****].

Unless otherwise noted above, [****] pursuant to Article 3, Article 4, and Article 5 above may, [****], be [****] (i) [****], or (ii) [****] ([****]). **For the avoidance of doubt and notwithstanding the foregoing, the [****] described in Article 3.1.5, above, [****].**

8. Assignment.

The [****] described in this Letter Agreement are provided [****] and in consideration of Customer becoming the operator of the Aircraft. This Letter Agreement cannot be assigned, in whole or in part, without the prior written consent of Boeing.

9. Confidentiality.

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-1106670R1 entitled "Confidentiality".

[Intentionally Left Blank]



ACCEPTED AND AGREED TO this

Date: June 30, 2025

AMERICAN AIRLINES, INC.

By: /s/ American Airlines, Inc.

Name: American Airlines, Inc.

Title: VP, Financial Planning & Analysis

THE BOEING COMPANY

By: /s/ The Boeing Company

Name: The Boeing Company

Title: Attorney-In-Fact

AAL-PA-03735-LA-2306975R1
[****] Page 5

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BOEING AND AMERICAN PROPRIETARY

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: July 24, 2025

/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: July 24, 2025

/s/ Devon E. May

Name: Devon E. May

Title: Executive Vice President and
Chief Financial Officer

CEO CERTIFICATION

I, Robert D. Isom, 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: July 24, 2025

/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: July 24, 2025

/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 June 30, 2025 (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: July 24, 2025

/s/ Devon E. May

Name: Devon E. May

Title: Executive Vice President and
Chief Financial Officer

Date: July 24, 2025

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 June 30, 2025 (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: July 24, 2025

/s/ Devon E. May

Name: Devon E. May

Title: Executive Vice President and
Chief Financial Officer

Date: July 24, 2025

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.