

## AVIANCA ACHIEVES CONFIRMATION OF REORGANIZATION PLAN

- *The Airline Expects to Emerge from its Court-Supervised Restructuring Process Before End of Year.*
- *An Updated Business Plan Will Result in a Stable, Financially Viable Airline, Further Supported by the Continued Growth of its Cargo and Loyalty Businesses.*
- *Avianca's New Vision Combines the Airline's 100-Year Legacy with Modern, Optimized Service to Meet Needs of Today's Customers Across Latin America and Beyond.*

**BOGOTA, Colombia, November 02, 2021** – Avianca announced today that –following its submission of additional documentation that had been requested by the United States Court for the Southern District Court of New York– the Court has confirmed Avianca's Plan of Reorganization<sup>\*i</sup>. The Company expects to successfully complete its court-supervised reorganization and emerge from Chapter 11 before the end of the year as a more efficient and financially stronger airline, well positioned for long-term success.

Upon emergence, the Company will have a solid balance sheet, with significantly reduced debt and over \$1 billion in liquidity. Avianca's restructuring will enable the Company to continue repositioning and simplifying its business, re-establishing as the carrier of choice in Latin America by adopting more competitive pricing for clients, reconfiguring aircraft with best-in-class modern seating, expanding network routes both domestically and internationally, refinancing its aircraft portfolio and obtaining long-term financing commitments. Avianca will keep the airline's differentiating and competitive assets, which include a robust network, one of the best loyalty programs, VIP Lounges, signature services and one of the most competitive cargo solutions in the region.

Rohit Philip, Chief Financial Officer of Avianca, said: "We are pleased to have reached this critical milestone and look forward to emerging as a stronger organization that is well positioned to fly the skies for many years to come. The financial and operational progress we have already achieved are a testament to the tenacity and commitment of the entire Avianca team, and I am proud of their tremendous efforts".

Adrian Neuhauser, President and Chief Executive Officer of Avianca, said: "On behalf of everyone at Avianca, I want to express our gratitude to our loyal customers, partners, and lenders for their continued support. I especially want to thank Judge Glenn for his thoughtful and responsible oversight of the process. Looking ahead, with a stronger financial foundation, Avianca will be better positioned to capture recovering travel demand with a compelling value proposition to meet the needs of today's clients across Latin America and beyond. We are a company that combines an over-100-year legacy with modern, optimized service, while remaining committed to continuing to set the standard for safety, customer service, and value across the industry."

### **Business Plan:**

Avianca's updated business plan impacts all facets of operations – the destinations Avianca will serve, the aircraft Avianca will operate, and the way Avianca will serve customers – to build on its leadership position and drive its future success.

Notably, the business plan projects:

- A financially viable and stable airline;
- Higher network density with a passenger fleet of more than 130 aircraft flying over 200 largely point-to-point routes by year-end 2025, with expanded service across Latin America as demand fully recovers;
- A leaner cost structure providing both better pricing and more direct service, while enabling growth into new markets; and

- Continued growth of the air cargo and LifeMiles loyalty businesses, building on the Company's already well-established market positions.

## Avianca's Business Vision Milestones:

Over the course of 2021, Avianca has made significant progress on its new business vision in three key areas: strengthening its network, redesigning products and enhancing services. Certain milestones that the Company has already successfully achieved include:

- **A stronger network:** Announced 23 new point-to-point routes in strategic markets for 2022, including Colombia, El Salvador, Guatemala and Costa Rica. Avianca plans to operate more than 100 new routes in the next three years.
- **Cabin reconfiguration:** Incorporated more seats to offer more competitive prices and increase the number of passengers carried. The capacity of each aircraft will be increased by up to 20%.
- **Tailor-made service bundles:** Provided customers with better flexibility to manage their flights and services so they only pay for what they really need.
- **Better self-service:** Strengthened online customer service, its chat service "Vianca" and digital channels so that passengers can manage their trip more easily from the mobile application and Avianca's website.
- **A rewarding LifeMiles program:** Introduced a new mileage accrual model and more benefits for loyalty program travelers.

Court filings and other documents related to the Chapter 11 process are available on a separate website administered by Avianca's claims agent, Kurtzman Carson Consultants, at [www.kccllc.net/avianca](http://www.kccllc.net/avianca). Information is also available by calling (866) 967-1780 (U.S./Canada) or +1 (310) 751-2680 (International), as well as by email at [www.kccllc.net/avianca/inquiry](mailto:www.kccllc.net/avianca/inquiry).

Seabury Securities LLC is serving as financial advisor to Avianca, and Milbank LLP is serving as legal advisor.

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\*\_The value of the outstanding shares of the Company (including the preferred shares traded under ticker symbols OTCMKTS: AVHOQ, BVC: PFAVH) will be reduced to zero and will cease to have value and Avianca's assets and liabilities will be reorganized under a new holding company