



Avianca Supplier / Ally FAQ

1. What was announced?

- Avianca Holdings S.A. and certain of its subsidiaries and affiliates filed voluntary reorganization proceedings under Chapter 11 of the United States Bankruptcy Code to preserve and reorganize Avianca's businesses.
- We did so to protect our business as we continue to navigate the effects of the COVID-19 pandemic as well as comprehensively address our debt and other commitments.
- Similar to the support many other airlines around the world have sought from the countries where they provide essential services, Avianca also continues to be engaged in discussions with the government of Colombia, as well as those of its other key markets, regarding financing structures that would provide additional liquidity through the Chapter 11 process and play a vital role in ensuring that the Company emerges from its court-supervised reorganization as a highly competitive and successful carrier in the Americas.
- We are confident that through this process, we can continue to execute our "Avianca 2021" plan, optimize our capital structure and fleet of aircrafts and – with government support -- emerge as a better, more efficient airline that operates for many more years.

2. Why did Avianca file for Chapter 11 protection? Did the Company enter this process because of COVID-19?

- We are all seeing firsthand the unprecedented challenges and distressing effects that the pandemic is creating for the global airline sector and the broader travel industry. The filing was necessitated by the unforeseeable impact of the COVID-19 pandemic, which has resulted in a 90% decline in global passenger traffic and is expected to reduce industry revenues worldwide by \$314 billion, according to the International Air Transport Association.
- Avianca's scheduled passenger operations have been grounded since mid-March, reducing Avianca's consolidated revenue by over 80% and placing significant pressure on its cash reserves.
- We believe that a reorganization under Chapter 11 is the best path forward.
- The Chapter 11 process is a well-established legal process in the United States of America that is recognized by other countries around the world. The process is a temporary one that, according to U.S. law, allows companies to reorganize their operations and complete financial restructurings under the supervision of the United States court system.

3. What do you hope to accomplish through this process?

- Through the Chapter 11 reorganization process, Avianca intends to:
 - Protect and preserve operations so Avianca can continue to operate and serve customers with safe and reliable air travel, under the strictest biosafety protocols, as COVID-19 travel restrictions are gradually lifted;
 - Ensure connectivity and drive investment and tourism by continuing as Colombia's flagship airline, serving over 50% of the domestic market in Colombia and providing essential non-stop service across South America, North America and European markets as well as continuing cargo operations, playing a key role in the economic recovery of Colombia and the Company's other core markets following the COVID-19 pandemic;
 - Preserve jobs in Colombia and other markets where the Company operates, with Avianca directly responsible for more than 21,000 jobs throughout Latin America, including more than 14,000 in Colombia, and working with more than 3,000 vendors; and
 - Restructure the Company's balance sheet and obligations to enable Avianca to navigate the effects of the COVID-19 pandemic as well as comprehensively address liabilities, leases, aircraft orders and other commitments.

4. What is Chapter 11? What does it mean to file for "protection" under Chapter 11?

- The Chapter 11 process is a well-established legal process in the United States of America that is recognized by other countries around the world.
- The process is a temporary one that, according to U.S. law, allows companies to reorganize their operations and complete financial restructurings under the supervision of the United States court system.
- A Chapter 11 filing generally halts all collection and enforcement efforts with respect to claims against the Company that arose prior to the filing.
- Most importantly, this process is not a liquidation and Avianca will continue to operate.
- Many airlines have used the Chapter 11 process over the years to strengthen their operations, including Avianca. In 2003, we used the process to expand in Latin America.
- Further, almost every airline in the world is undertaking some form of financial restructuring right now, many with the direct support of their governments.
- Please see the infographic on our reorganization website at aviancawillkeeponflying.com for more details.

5. What happens during the Chapter 11 process?

- There are four general phases of the Chapter 11 process.
- First, a company files voluntary petitions to reorganize under Chapter 11 of the U.S. Bankruptcy Code, as Avianca has done.
- In the next phase of the process the company formulates a Plan of Reorganization and negotiates its terms with its creditors and other stakeholders, including, among other things, the details about how prepetition claims and equity interests will be treated. During this period, the company also finalizes its long-range strategic business plan.
- The company then files a Disclosure Statement describing what it proposes to do and, once the Disclosure Statement is approved by the Court, the Company sends out the Plan for a vote by all of those creditors and shareholders that are entitled to vote to accept or reject it.
- Lastly, if certain conditions are met and the appropriate stakeholders have voted to accept it, then the Plan will be confirmed by the Court.
- Once the Plan is confirmed, it generally becomes effective within a short time. At that point, the company emerges from Chapter 11 as a reorganized entity and the process concludes.

6. When do you expect to emerge from Chapter 11?

- We intend to move through this process as efficiently as possible, but for companies of Avianca's size and scale, it is not unusual for the process to take approximately 12 to 18 months.

7. How will the filing affect day-to-day operations at Avianca?

- Avianca will continue to operate throughout the reorganization process and plans to resume its passenger flights as soon as government mandated air travel restrictions are lifted.
- Customers can continue to arrange travel and fly with Avianca in the same way they always have. As COVID-19 travel restrictions are gradually lifted, Avianca will return to the skies and continue to fly.
- Additionally, Avianca will pay vendors and suppliers under normal terms for authorized goods and services provided on or after the filing date during the Chapter 11 process.

8. Will vendors be paid for goods shipped and services provided to Avianca on or after the petition date?

- We will pay vendors and suppliers under normal terms for goods and services provided on or after the Chapter 11 filing date.
- This means that any invoice for goods and service ordered by Avianca and received on or after May 10, 2020, the Company will pay on time.
- Generally, the value of goods and services provided on or after May 10, 2020 have priority status under U.S. law. We can and will pay for such purchases in the normal course of business.

9. Will vendors be paid for goods shipped and serviced provided to Avianca prior to the petition date?

- We have received court approval to honor various prepetition obligations owed to many of our vendors and suppliers from before the filing date.
- We will be communicating with our partners about this as we move through the process.
- If you provided goods or services before the filing date and have not been paid, you can file a proof of claim for the amount owed to you.
- Instructions on how to file claims can be found on a separate website administered by Avianca's claims agent, Kurtzman Carson Consultants, at www.kccllc.net/avianca.

10. Will Avianca continue to transact with its vendors in the ordinary course of business?

- Yes. Avianca will continue to transact with its vendors in the ordinary course.
- We will pay vendors and suppliers under normal terms for goods and services provided on or after the Chapter 11 filing date during the Chapter 11 process.
- This means that any invoice for goods or services ordered by Avianca and received on or after May 10, 2020, the Company will pay on time.
- If you provided goods or services before the filing date and have not been paid, you can file a proof of claim for the amount owed to you.
- We remain a dependable partner. As government-mandated travel restrictions related to COVID-19 are gradually lifted, we plan to resume our passenger flights and we look forward to doing business with our valued vendors and suppliers.

11. Will vendors continue to be paid in a timely fashion?

- Yes. Avianca will continue to transact with its vendors in the ordinary course.
- We will pay vendors and suppliers under normal terms and in a timely fashion for goods and services provided on or after the Chapter 11 filing date during the Chapter 11 process.

12. Now that Avianca has filed for Chapter 11, may I terminate or renegotiate my contracts with Avianca?

- If you have a contract with Avianca, U.S. laws relating to the Chapter 11 process require that you continue to perform services or provide goods under that agreement and in accordance with its terms unless the Court permits you to stop.

13. Why should I sell you goods and services now?

- We hope that current COVID-19 travel restrictions will be lifted soon, and we are confident that, with the essential support from the Colombian government, we will emerge from this process as a better, more efficient airline that operates for many more years.
- Generally, the value of goods and services provided on or after May 10, 2020 (the date Avianca filed for chapter 11) have priority status under U.S. law. We can and will pay for such post-petition purchases in the normal course of business, in accordance with the terms of our purchasing agreements.
- We remain a dependable partner. As government-mandated travel restrictions related to COVID-19 are gradually lifted, we plan to resume our passenger flights and we look forward to welcoming back many of our employees.
- Avianca has flown the skies for more than 100 years, and we are committed to our purpose to connect people, families and businesses.
- We appreciate your partnership and support.

14. I believe I am owed money. How do I file a proof of claim?

- Proof of claim forms and other information about the claims process are available on a separate website administered by Avianca's claims agent, Kurtzman Carson Consultants, at 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 emailing www.kccllc.net/avianca/inquiry.

15. Will my point of contact at Avianca change?

- No. If you have any questions, please continue to reach out to your usual Avianca contact.
- We will keep you informed as we make progress in this court-supervised process.

16. How can I obtain more information?

- We will keep you updated on our progress as there is information to share.
- Court filings and other documents related to the Chapter 11 process in the United States of America are available on a separate website administered by Avianca's claims agent, Kurtzman Carson Consultants, at www.kccllc.net/avianca.