

Azul – Stretto FAQ (Website)

General

1. What did Azul announce?

On May 28, 2025, Azul announced we have reached agreements with certain of our key financial stakeholders on a reorganization plan to strengthen the Company's financial foundation and position the business for the long term. To implement the plan, Azul filed for voluntary Chapter 11 in the United States.

Customers, Crewmembers, and partners remain our priority. The Company will continue flying and operating as normal throughout this process while prioritizing our commitments to stakeholders. Through this process and the partnership and support of our stakeholders, we are confident we will emerge even stronger, more efficient and better positioned to continue connecting Brazil while offering the best service and value to Customers.

2. Why is Azul taking this action? What does this announcement mean for the Company?

Azul has opted for a voluntary financial restructuring as a strategic and proactive move to implement the agreements with certain of our key financial stakeholders and as a well-established tool to address the impacts from the COVID-19 pandemic, which were then exacerbated by macroeconomic headwinds and aviation supply chain issues. The agreements also mark a significant step forward in the transformation of our business – one that enables us to secure our future and continue serving our valued Customers, Crewmembers, and partners at the highest levels. This process is not about ceasing operations – it is about accelerating Azul's transformation into a stronger, more efficient, and more resilient company. We remain fully operational through this process and will continue to fulfil go-forward obligations to Crewmembers, Customers, vendors, commercial partners, and other stakeholders without disruption. As part of the restructuring, certain vendor relationships may be reviewed under Court supervision to improve Azul's cost structure and long-term competitiveness.

3. Azul's Chapter 11 has been rumored for months. Why is it happening now?

While discussions around the Azul's financial challenges have been ongoing, the decision to file for Chapter 11 at this moment reflects a strategic and carefully considered response to current market conditions and the Company's liquidity needs. After extensive evaluation of all available options, Azul has determined that a Chapter 11 restructuring—highly supported by many of our key stakeholders—provides the most effective path to strengthen our balance sheet, address legacy liabilities, and position the business for long-term success. Timing the filing now allows Azul to enter the process with a clear plan of reorganization and the support necessary to ensure a swift and orderly emergence towards reinforcing the Company's financial health and driving operational success.

4. Does this mean the Company is going out of business?

No. Azul will continue flying and operating as normal throughout this process. Customers, Crewmembers, and partners remain the Company's priority. This restructuring will allow us to optimize our fleet, reinforce our financial position, and operate more efficiently – all of which are essential to enabling Azul's success in today's dynamic travel environment. The strategy is not just about financial recovery; it's about transformation. By using this process and agreements with major financial parties to enhance our capital structure, Azul is creating a more resilient foundation for the long term.

5. How will the Chapter 11 process impact day-to-day operations?

Azul will continue flying and operating as normal throughout this process. Azul has filed customary motions with the Court to support ordinary-course operations including, but not limited to, continuing Crewmember compensation and benefits programs, honoring all Customer commitments including tickets for future travel and benefits under the Azul Fidelidade program, and fulfilling all obligations to selected vendors who are truly critical to the Company. These

motions are typical in the Chapter 11 process, and Azul expects that they will be approved within the first few days of the case.

6. What is a “pre-arranged” plan of reorganization?

Because we built our plan ahead of time and have secured agreements from major financial and strategic partners, this Chapter 11 filing is called “pre-arranged.” By securing many of the necessary approvals in advance, Azul can expedite the Court proceedings, significantly reducing the time and cost typically associated with traditional Chapter 11 cases. This approach minimizes operational disruption, preserves stakeholder confidence, and provides greater certainty about the outcome of the reorganization. The pre-negotiated nature of the process allows for a more efficient and controlled restructuring, making it an attractive option for companies facing financial distress.

7. What are the immediate next steps in the process?

We expect to complete the Chapter 11 process on an expedited timeline, and emerge as a stronger company, built for long-term, sustainable momentum.

Upon emergence from this process, we will have significantly reduced debt, a stronger capital structure, and improved liquidity. We intend to emerge with an optimized aircraft fleet and flight network, enhancing our competitive advantage in the marketplace.

8. Does Azul have enough liquidity to continue operating through the process?

We have received commitments for approximately \$670 million in new money from our lenders. This financing will enable our continued operations throughout the Chapter 11 process. We anticipate having access to \$250 million of new money within days of commencing the Chapter 11 cases.

9. Who are the Company’s lenders? What will change—if anything—under new ownership? Do they have intentions to divest parts of the business?

Azul’s lenders are a group of financial institutions that have provided financing and support as part of our restructuring process. We cannot speak on behalf of future owners or speculate on their intentions. Our focus remains on completing the Chapter 11 process and positioning our Company for long-term success as a more sustainable, well-capitalized airline.

10. Will United Airlines and American Airlines continue to invest in the Company?

We remain an attractive investment opportunity, which is why our key financial stakeholders, including existing bondholders; largest lessor AerCap and strategic partners United Airlines and American Airlines entered into Restructuring Support Agreements with Azul to continue their support throughout this proactive reorganization process and beyond. While the pace and structure of future growth may evolve during the restructuring process, Azul remains committed to strategic expansion and long-term value creation — with the continued partnership of its key global stakeholders.

11. Will Azul’s existing leadership team stay in place?

Yes, the existing leadership team is expected to remain in place and is fully engaged in guiding the Company through the restructuring process.

12. What is Chapter 11?

Chapter 11 is a well-established process in the United States that provides companies the ability to address legacy liabilities and restructure their finances while they continue operating and running their business in the ordinary course.

13. How is Chapter 11 different from Brazil’s Recuperação Judicial? Why is it taking place in the United States?

The Chapter 11 process has similar attributes to Brazil’s Recuperação Judicial (RJ). In fact, the RJ process was built based on the Chapter 11 process and includes the ability to operate

business as usual, renegotiate and restructure debt, and preserve value. Given that a significant portion of Azul's debt is governed by United States law and involves international stakeholders, filing under Chapter 11 in the United States ensures greater predictability, legal certainty, and coordination across jurisdictions. This approach enhances the company's ability to restructure efficiently, preserve its operations, and protect the interests of all stakeholders globally, while continuing to comply with Brazilian laws and maintain normal operations in Brazil. We have opted for Chapter 11 because many of our key creditors and partners are based in the United States, making it a more practical and efficient venue for restructuring our business.

14. How long will the process take?

Because we have entered Chapter 11 with the support of our key financial stakeholders, we expect to complete this process on an expedited timeline, and emerge as a stronger company, built for long-term, sustainable momentum.

Crewmembers

15. What does this announcement mean for Crewmembers?

We are operating our business and serving our stakeholders as we always have – with a focus on safety, innovation, and excellence. Rest assured this process is designed to mitigate disruption to our Crewmembers, Customers, and partners.

It is critical that we continue to drive success for each other and the fliers we serve as we navigate this process. As Crewmembers, the most important thing you can do during this time is stay focused on our commitment to maintaining a strong customer-centric philosophy and ensuring passengers receive attentive and personalized service as we continue to be a critical partner for our Customers.

16. Will there be changes to my day-to-day role or responsibilities?

You should see no change in your daily job duties because of this announcement, and your reporting structure does not change. Please continue focusing on what you do best, while continuing to provide exceptional service to our Customers and fellow Crewmembers.

17. Will there be changes to my compensation or benefits?

We have filed certain motions with the Court to protect our Crewmembers' best interests. You will continue to be paid as usual with your benefits remaining in place, including your health insurance and paid time off.

Customers

18. How does this announcement impact Customers?

Azul continues to operate in the ordinary course of business. Our ability to provide the reliable, top-tier service you have come to expect remains unchanged, and you can continue to book flights as usual.

19. Should I be concerned about impacts to safety, service, or support?

We are continuing to operate in full compliance with all regulatory and operational safety standards, and our commitment to the safety and well-being of our passengers and Crewmembers is paramount and unchanged through this process. You can expect to receive the same top-tier service and support from us throughout this process.

20. Why should I continue to use Azul's airline?

Your experience as an Azul customer remains our priority, and our team is here to support you and ensure a smooth process. We are operating in the ordinary course and continuing to serve our Customers during this time. Please continue doing business with us as you normally would. We appreciate your loyalty and trust as we take this significant step forward for our business, and we look forward to even better serving you upon emergence.

21. Is my existing booking still valid? Are my upcoming flights canceled?

Unless you are otherwise notified, your existing booking and upcoming travel plans remain unchanged.

22. Can I continue booking flights with Azul?

Azul continues to operate as usual, and you can book, manage, and fly with us as you always have.

23. Is the Azul loyalty program affected by this process?

No. Our loyalty program will continue without interruption throughout the Chapter 11 process. There will be no changes to the terms, benefits, or redemption options available to our loyalty members.

24. Will my points, status, or rewards change?

No. Your points, status, and benefits remain fully intact and usable as usual. Any subscriptions are unaffected by this process.

25. Can I still use my Azul credit card?

Yes. Your Azul credit card continues to function as normal.

26. Are you still honoring commissions and commercial agreements?

Yes. We continue to honor all existing agreements, commissions, and terms.

27. Are Azul's cargo operations continuing as normal? Are shipments being delivered on time?

Yes. Our cargo operations are continuing without disruption. We are fulfilling shipments on schedule, and our service commitments remain in place.

Vendors

28. How does this announcement impact vendors?

We deeply value our relationship with our vendors, and we are working diligently to make this a smooth process. We expect to pay vendors in full under normal terms for goods and services provided on or after the filing date, May 28, 2025. You play a key role in helping us serve our Customers and Crewmembers, and your continued cooperation will promote our mutual success.

29. Why should I continue to do business with Azul?

The actions we are taking now are designed to strengthen Azul's financial foundation and ensure we remain a reliable and valuable partner well into the future. We have taken the necessary steps to transition our business into Chapter 11 without disruption to our ordinary course operations, ensuring we are able to fulfill our obligations to our vendors for goods and services rendered as we move ahead. We are deeply sorry for any near-term hardship associated with our restructuring process. This will ultimately ensure Azul is around for the long term, able to be the best possible partner for our Customers, passengers, and all of you. We are relying on you to continue providing the products and services we need under normal operating terms so we can meet our obligations to Customers throughout this process.

30. How can I ensure I will be paid for goods and services delivered before the Chapter 11 filing?

Outstanding invoices for goods and services delivered prior to May 28, 2025, the day of our Chapter 11 filing, are considered "prepetition" claims and may need to be addressed as a part of the Chapter 11 process. They legally cannot be paid by the Company without a Court order.

31. How can I ensure that I will be paid for goods and services delivered after the Chapter 11 filing?

We expect to pay vendors in the normal course of business for all goods and services delivered to Azul on or after May 28, 2025, the day of our Chapter 11 filing. This is referred to as the “post-petition” period. In fact, Chapter 11 rules require that we pay post-petition expenses in the ordinary course.

32. How does this announcement affect my contract with Azul? Can I change the terms of my current contract?

This announcement has no impact on your current contract with Azul. Azul intends to pay vendors and suppliers in full for goods and services provided on or after the filing date in accordance with United States federal law, and there is no reason for you to change contract terms at this time. Further, the law precludes contract counterparties from modifying our contract terms on account of the Chapter 11 filing.

Investors

33. What does this announcement mean for investors?

Azul is undergoing a court-supervised restructuring to reduce debt and strengthen our financial position. As a result, we expect our shares will be delisted from NYSE, though they will continue to be traded over the counter.

For investors holding Azul shares on B3, there is no immediate change. Trading on the B3 continues as usual at this time.