

## News Release

### **Air Canada Announces Launch of Syndication of New Credit Facilities**

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MONTREAL, July 19, 2021 – Air Canada (TSX:AC) (the “Company”) today announced that it has launched the syndication of a new senior secured term loan B expected to mature in 2028 (the “Term Loan”), and completed the syndication in respect of a new senior secured revolving facility expected to mature in 2025 (the “Revolving Facility”, together with the Term Loan, the “Senior Secured Credit Facilities”).

Subject to market and other conditions, Air Canada intends to complete refinancing transactions seeking total gross proceeds of approximately US\$5.35 billion, and which will include the entering into of the Senior Secured Credit Facilities. The proceeds of the Term Loan are intended to fund (i) the refinancing of the Company’s 4.75% senior secured notes due 2023 and 9.00% second lien notes due 2024, (ii) the refinancing of the Company’s indebtedness under the loan agreement dated as of October 6, 2016 and comprised of a syndicated secured US dollar term loan B facility and a syndicated secured US dollar revolving credit facility and (iii) working capital and other general corporate purposes of Air Canada and its subsidiaries. The proceeds of the Revolving Facility are intended to fund working capital and other general corporate purposes of Air Canada and its subsidiaries. Air Canada will review multiple funding sources when assessing the aforementioned refinancing transactions.

This press release does not constitute an offer to buy or sell or the solicitation of an offer to sell or buy any securities and shall not constitute an offer, solicitation or sale in the United States or in any other jurisdiction in which such an offer, solicitation or sale would be unlawful prior to the registration and qualification under the securities laws of such state or jurisdiction.

Closing of the Senior Secured Credit Facilities is expected to occur in the second or third week of August 2021, subject to obtaining lender commitments, market conditions and customary closing conditions.

JPMorgan Chase Bank, N.A., Citi and TD Securities are acting as lead arrangers and active bookrunners for the Senior Secured Credit Facilities.



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## **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

*This news release includes “forward-looking statements” within the meaning of applicable securities laws. Forward-looking statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements may involve, but are not limited to, comments relating to guidance, strategies, expectations, planned operations or future actions, including the Company’s expectations with respect to the syndication of the Term Loan and closing of the Senior Secured Credit Facilities, the expected proceeds from the Senior Secured Credit Facilities and the expected use of such proceeds. Forward-looking statements are identified using terms and phrases such as “preliminary”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions. Forward-looking statements, by their nature, are based on assumptions, including those described herein and are subject to important risks and uncertainties. Forward-looking statements cannot be relied upon due to, among other things, changing external events and general uncertainties of the business. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including those discussed below.*

*Air Canada, along with the global airline industry, continues to face a severe drop in traffic and a corresponding decline in revenue and cash flows as a result of the COVID-19 pandemic and the travel restrictions imposed in many countries around the world, and particularly in Canada. The impacts of the COVID-19 pandemic began to be felt in traffic and sales figures commencing in early March 2020. There is very limited visibility on travel demand given changing government restrictions in place around the world and the severity of the restrictions in Canada. Air Canada cannot predict the full impact or the timing for when conditions may improve. Air Canada is actively monitoring the situation and will respond as the impact of the COVID-19 pandemic evolves, which will depend on a number of factors including the course of the virus and its variants, availability of rapid, effective testing, vaccinations and treatments for the virus, government actions, and passenger reaction, as well as timing of a recovery in international and business travel which are important segments of Air Canada’s markets, none of which can be predicted with any degree of certainty.*

*Other factors which may cause results to differ materially from results indicated in forward-looking statements include those factors identified in Air Canada’s public disclosure file available at [www.sedar.com](http://www.sedar.com) and, in particular, those identified in section 17 “Risk Factors” of Air Canada’s 2020 MD&A and in section 14 “Risk Factors” of Air Canada’s First Quarter 2021 MD&A. The forward-looking statements contained in this news release represent Air Canada’s expectations as of the date of this news release (or as of the date they are otherwise stated to be made) and are subject to change after such date. However, Air Canada disclaims any intention or obligation to update or revise any forward-looking statements whether because of new information, future events or otherwise, except as required under applicable securities regulations.*

## **About Air Canada**

Air Canada is Canada’s largest domestic and international airline, and in 2019 was among the top 20 largest airlines in the world. It is Canada’s flag carrier and a founding member of Star Alliance, the world’s most comprehensive air transportation network. Air Canada is



A STAR ALLIANCE MEMBER 

the only international network carrier in North America to receive a Four-Star ranking according to independent U.K. research firm Skytrax. In 2020, Air Canada was named Global Traveler's Best Airline in North America for the second straight year. In January 2021, Air Canada received APEX's Diamond Status Certification for the Air Canada CleanCare+ biosafety program for managing COVID-19, the only airline in Canada to attain the highest APEX ranking. Air Canada has also committed to a net zero emissions goal from all global operations by 2050.

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