



FOR IMMEDIATE RELEASE:

Avelo Airlines Raises \$42 Million in Series B Funding

*Second-round capital infusion increases airline's
invested capital base to over \$160 million*

HOUSTON, January 6, 2022 – Avelo Airlines, which became America's newest mainline airline in nearly 15 years when it took flight last April, today announced it raised \$42 million in Series B funding. This second-round offering increases Avelo's invested capital base to over \$160 million.

Avelo raised approximately \$125 million in January 2020. The Series B shares sold at a significant premium to the original Series A shares.

"The incremental capital we've raised is a significant vote of confidence in Avelo's initial momentum and the enormous opportunity ahead of us," said Avelo Founder, Chairman and CEO Andrew Levy. "This additional capital significantly bolsters our already strong balance sheet and enables the acceleration of Avelo's growth trajectory in 2022 and beyond."

An investment fund managed by Morgan Stanley Tactical Value (MSTV) invested an additional \$30 million beyond their Series A investment. With this additional significant investment, MSTV is now by far Avelo's largest shareholder.

"The Morgan Stanley Tactical Value Investing Team is pleased to partner up once again with Avelo Airlines on their recent capital raise," said Tom Cahill, Managing Director and Co-Head of Morgan Stanley Tactical Value, and an Avelo board member. "Andrew and the rest of the Avelo team have done a terrific job in growing the business under unique circumstances. Avelo's recent launch of service from its Tweed-New Haven base is just the latest company success, and with the additional capital in place positions Avelo for an even more exciting future."

This second-round offering was primarily funded by Series A shareholders including Levy, board members (or the entities they represent), and members of management who collectively invested more than \$34.7 million.

Levy added, “The personal investments made by Avelo’s management team and board members exemplify the internal belief in Avelo’s potential. I also want to thank Tom Cahill and Morgan Stanley Tactical Value for their significant investment in Avelo. Avelo would not be possible without their confidence and backing.”

Executing Today and Investing in Tomorrow

Avelo initiated service on April 28, 2021, from its first base at Los Angeles’ Hollywood Burbank Airport (BUR). The airline – which offers a convenient, affordable, and caring experience – currently serves 19 popular destinations across the U.S. with Boeing Next-Generation (NG) 737 aircraft. Avelo launched its East Coast base at Tweed-New Haven Airport (HVN) on November 3, 2021, connecting Southern Connecticut and six popular Florida destinations.

“I am extremely proud of Avelo’s public debut and initial performance amidst the unprecedented challenges that confronted the U.S. airline industry in 2021,” continued Levy. “Our Customers want reliability, convenience and affordability – Avelo is delivering all three. As we head into 2022, I am very bullish about the next exciting stage in Avelo’s journey.”

In 2021, Avelo achieved the following milestones:

- Created over 330 jobs held by Avelo Crewmembers
- Ended the year with six NG 737s (three 737-700s and three 737-800s)
- Flew 345,000 Customers on 3,000 flights
- Delivered a completion factor of 99.8% - canceling only seven flights since its inaugural departure

Avelo shared the following plans for 2022:

- Avelo has made commitments to add nine more aircraft into its fleet by the end of 2022
- Avelo plans to more than double its nationwide network of destinations from 19 to at least 40 markets across the U.S.
- Avelo expects to add more than 450 Crewmembers

About Avelo Airlines

Avelo Airlines was founded with a simple purpose — to Inspire Travel. The airline offers Customers time and money-saving convenience, very low fares, and a refreshingly smooth and caring experience through its Avelo Soul of Service culture. Operating a fleet of Boeing Next-Generation 737 aircraft, Avelo serves 19 popular destinations across the U.S., including its West Coast base at Los Angeles’ Hollywood Burbank Airport (BUR) and its East Coast base at Tweed-New Haven Airport (HVN). For more information visit AveloAir.com. Avelo BROLL + Images [here](#).

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