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1 July 2020

## **WEBJET ANNOUNCES €100 MILLION CONVERTIBLE NOTES OFFERING**

Webjet Limited (“Webjet” or “the Company”) has today launched an offering of €100 million (approximately A\$163<sup>1</sup> million) convertible notes due 2027 (the “Notes”) (the “Offering”).

John Guscic, Webjet’s Managing Director, said: *“This Offering supports our ongoing focus on maintaining a strong balance sheet as we continue to navigate the challenging operating environment caused by COVID-19. The Notes are expected to diversify Webjet’s funding sources and increase our financial and strategic flexibility.”*

*“We continue to believe the strength of Webjet’s capital position in the current uncertain environment will provide a strategic advantage longer term, enabling the Company to execute its strategy and take advantage of opportunities as they arise.”*

Webjet is committed to maintaining a prudent capital structure which also maximises financial flexibility, and the Notes support that objective.

The net proceeds from the Offering, after deduction of commissions, professional fees and other administrative expenses, are to be used to repay A\$50 million of the Company’s existing term debt whilst extending remaining term debt maturity into late 2022, as well as for potential acquisitions and ongoing capital management. There is no agreement or understanding with respect to any potential acquisitions or investments at this time.

It is intended that the Notes will be listed on the Official List of the Singapore Exchange Securities Trading Limited. Conversion of the Notes will be cash settled only.

Goldman Sachs International is acting as sole global coordinator (the “Sole Global Coordinator”) and joint bookrunner and The Hongkong and Shanghai Banking Corporation is acting as joint bookrunner in connection with the Offering (together, the “Joint Bookrunners”).

The Joint Bookrunners or their affiliates may purchase the Notes for its or their own account and enter into transactions, including (i) credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities or (ii) equity derivatives and stock loan transactions relating to the ordinary shares at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes (notwithstanding that such selected counterparties may also be purchasers of the Notes).

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<sup>1</sup> EURAUD 1.63

In connection with the Offering:

- The Sole Global Coordinator or its designated affiliate intends to run a bookbuilding process of approximately 13 million ordinary shares (the “Delta Placement”) to facilitate some or all of the hedging activity that may be executed in relation to the Notes. The clearing price of such bookbuilding will be used as the Reference Share Price to determine the Initial Conversion Price of the Notes; and
- The Company will lodge an Offering Circular relating to the Notes with the Singapore Exchange Securities Trading Limited which will contain, *inter alia*, an update on certain operating and financial information, namely:
  - As a result of the impact of the COVID-19 pandemic since January 2020 and travel restrictions introduced in March 2020, as expected TTV and total revenue in April and May 2020 were nominal. However, the Company is still required to meet operating expenditure and other costs. These costs have averaged around A\$15 million per month from April 2020 to the end of June 2020, a reduction of approximately A\$13 million from pre COVID-19 expenditure. Such reductions are primarily the result of the cost reduction measures undertaken by the Company.
  - While the Company has started to see some booking activity in its Australian OTA and WebBeds businesses, the Company anticipates that any revenue contribution in the near term will be modest only, until the situation improves and broad-based travel activity resumes.
  - As of 31 May 2020, the Company had cash and cash equivalents of A\$215 million. This balance reflects the proceeds from the April 2020 Equity Raising, less operating expenditure and other costs, as well as the expected unwind of the Company’s negative working capital position. As of 31 May 2020, the Company’s net working capital position was positive A\$8 million, reflecting a reduction since 28 February 2020 in both the Company’s payables and receivables balances with a payables and accruals balance of A\$107 million and trade receivables and other assets balance of A\$115 million after a write down of debtors by A\$39 million (A\$33 million net of doubtful debts provision).
  - In addition to cash and cash equivalents of A\$215 million, the Company also had an undrawn EUR 55 million multicurrency overdraft facility, providing total liquidity of A\$307 million as of 31 May 2020.
  - The earlier announced suspension of Webjet Exclusives and closure of Online Republic Cruise business units are expected to result in the write off of goodwill and other intangible assets of at least A\$18 million and incur additional wind up non-cash costs of at least A\$11 million.
  - The Company has extended its remaining term debt facilities, so that A\$50 million maturing in November 2021 and A\$80 million maturing in August 2022 will now mature in November 2022. Combined with the Offering, this puts the Company in a strong capital position through to 2022.

The Offering is subject to completion of pricing and settlement and there can be no assurance it will complete. The Company will provide further updates as required. Settlement of the Offering is expected on or about 9 July 2020.

**KEY TERMS OF THE NOTES:**

Issuer	Webjet Limited
Expected Issue Size	€100m
Term of Notes	7 years
Conversion period	From 1 July 2021 until 60 business days prior to the Final Maturity Date
Ranking	Direct, unconditional, unsubordinated, and (subject to the terms and conditions of the Notes) unsecured
Investor put option	On or about 9 July 2024
Issuer call option	4-year non-call, callable after the 4th anniversary plus 21 days, on not less than 55 business days' notice to Noteholders, in whole and not in part, at the Redemption Amount together with any accrued but unpaid interest, if the closing price of the ordinary shares for 30 consecutive dealing days, the last of which falls not earlier than 5 calendar days prior to the date of publication of the notice of redemption, was at least 130% of the prevailing Conversion Price
Final Maturity Date	9 July 2027
Coupon	2.0 – 2.5% per annum, payable on a semi-annual basis
Conversion Premium	20 – 25% over the Reference Share Price
Reference Share Price	The clearing price of the Delta Placement
Fixed Exchange Rate	10pm HKT EUR/AUD Bloomberg BFIX fixing
Cash Settlement	The conversion of the Notes will be cash settled only in accordance with the terms and conditions of the Notes. The relevant Cash Settlement Amount will be calculated based on the relevant cash calculation period in accordance with the terms and conditions of the Notes
Conversion Price Adjustments	Standard anti-dilutive adjustments including Conversion Price adjustment for all dividends paid by Webjet
Listing	Application will be made for listing on Singapore Exchange Securities Trading Limited
Selling Restrictions	Reg S Only

Authorised for release by John Guscic, Managing Director.

For more information, please contact

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*FCA / ICMA stabilisation applies.*

*Singapore Securities and Futures Act Product Classification – In connection with Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

*This announcement does not comprise an offer of the Notes. No prospectus, product disclosure document or other disclosure document as that term is defined in the Corporations Act has been or will be lodged with the Australian Securities and Investments Commission in relation to the Notes. Each Joint Bookrunner has severally warranted and agreed that it has not and will not offer, or invite applications for the issue of any Notes or offer any Notes for issue or sale in Australia (including an offer or invitation which is received by that person in Australia) except in accordance with the Corporation Act.*

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