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31 March 2021

WEBJET ANNOUNCES AUD250 MILLION CONVERTIBLE NOTES OFFERING

Webjet Limited (ACN 002 013 612) (“Webjet” or “the Company”) has today launched an offering of AUD250 million convertible notes due 2026 (the “New Notes”) (the “Offering”).

John Guscic, Webjet’s Managing Director, said:

“As we enter the recovery phase of the global pandemic, we remain focused on ensuring Webjet is well placed to capture the significant global B2B market opportunity and accelerate bookings growth in our B2C businesses.

We are taking advantage of market conditions to proactively manage our balance sheet and the existing term debt. The Offering also provides flexibility to pursue leadership in all our businesses. In particular, it places Webjet in a strategically advantaged position in the context of a highly fragmented B2B wholesale bedbank industry, which we believe will change significantly as a result of the pandemic. The Webjet OTA has already seen meaningful market share growth as Australian domestic travel markets start to return and the Offering will provide flexibility to further capture demand as bookings continue to shift online.”

Webjet remains committed to maintaining a prudent capital structure that also maximises financial flexibility, and the New Notes support these objectives. The New Notes allow Webjet to proactively derisk the refinancing of the current AUD130 million term debt due November 2022, have a materially lower cash interest cost than the current financing arrangements and provide Webjet with the ability to pursue strategic opportunities.

As a result of the Offering, Webjet’s lenders have extended half of the remaining term debt to November 2023 whilst also agreeing to reduce the minimum liquidity requirement from AUD125 million to AUD100 million. Webjet currently has a EUR10 million on call multicurrency overdraft facility which was reduced from EUR30 million in March 2021, and also has a AUD50 million committed revolving credit facility which will be reduced to AUD25 million in April 2021.

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Conversion Invitation

In connection with the Offering, Webjet will extend a conversion invitation (the “Conversion Invitation”) to the holders of its existing EUR100m 2.50% Convertible Notes due 2027 ISIN XS2198898525) (the “Existing Notes”). Webjet is making the Conversion Invitation available to those existing holders who place an order in the offer of the New Notes.

Under the Conversion Invitation, holders of Existing Notes who accept the Conversion Invitation will be delivered Webjet shares under the terms of the Existing Notes and a cash payment of up to EUR20,624 per EUR100,000 of Existing Notes converted.

Any Existing Notes converted will no longer be recognized as liabilities in Webjet’s financial statements, thereby improving the strength of Webjet’s balance sheet. Executing the Offering in conjunction with the Conversion Invitation allows Webjet to achieve the best possible terms on the Offering (including lower annual cash costs following cash payments to holders to convert early and a higher conversion price than the Existing Notes).

Further details in relation to the Conversion Invitation are set out in Webjet’s announcement on the SGX-ST.

The net proceeds from this Offering, after deduction of commissions, professional fees and other administrative expenses, are expected to be used to:

- repay AUD43 million of Webjet’s existing term debt; and
- fund potential acquisitions, and for capital management and/or general corporate purposes.

It is intended that the New Notes will be listed on the Official List of the Singapore Exchange Securities Trading Limited (the “SGX-ST”).

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”). Goldman Sachs International is acting as dealer manager in relation to the Conversion Invitation.

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The Sole Global Coordinator or its designated affiliate intends to run a bookbuilding process to sell ordinary shares (the “Delta Placement”) to facilitate some or all of the hedging activity that may be executed in relation to the Offering and the Conversion Invitation. The clearing price of such bookbuilding will be used as the Reference Share Price to determine the Initial Conversion Price of the Notes.

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 12 April 2021.

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KEY TERMS OF THE NOTES:

Issuer	Webjet Limited
Expected Issue Size	AUD250m
Term of Notes	5 years
Conversion period	Convertible at any time on or after the 41 st day after the settlement date until 10 business days prior to the Final Maturity Date
Investor put option	On or about 12 April 2024 (3 years)
Final Maturity Date	On or about 12 April 2026 (5 years)
Coupon	0.50 – 1.00% per annum, payable on a semi-annual basis
Conversion Premium	20.0 – 25.0% over the Reference Share Price
Reference Share Price	The clearing price of the Delta Placement
Conversion Price Adjustments	Standard anti-dilutive adjustments including Conversion Price adjustment for all dividends paid by Webjet and upon a Change of Control
Status	Direct, unsubordinated, unconditional and unsecured obligations of the Issuer. The payment obligations of the Issuer under the New Notes rank equally with all its other existing and future unsecured and unsubordinated obligations, save for such obligations that may be preferred by provisions of law that are mandatory and of general application
Listing	Application will be made for listing on Singapore Exchange Securities Trading Limited
Selling Restrictions	Reg S Only Restrictions in the UK, Australia, New Zealand, Hong Kong, Singapore, EEA, Switzerland, Japan

This announcement has been approved for release to the ASX by John Guscic, Managing Director.

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The Joint Bookrunners or their affiliates may purchase the New 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 New 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 New 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 New Notes (notwithstanding that such selected counterparties may also be purchasers of the New Notes).

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 New Notes. No prospectus, product disclosure document or other disclosure document as that term is defined in the Corporations Act 2001 (Cth) (“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 Corporations Act. Any offering of the New Notes in Australia will be open only to select investors who are sophisticated or professional investors within the meaning of sections 708(8) or 708(11) of the Corporations Act and who are not “retail clients” within the meaning of section 761G of the Corporations Act.

Goldman Sachs International (“GSI”) is exempt from the requirement to hold an Australian Financial Services License (“AFSL”) under the Corporations Act 2001 (Cth) in respect of the financial services it provides in relation to this transaction, and does not therefore hold an AFSL. GSI is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under U.K. laws, which differ from Australian laws.

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