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1 April 2020

**WEBJET ANNOUNCES A \$275 MILLION EQUITY RAISING**

- **Webjet is undertaking an institutional placement and accelerated pro-rata, non-renounceable entitlement offer to raise a minimum of \$275 million:**
  - Fully underwritten institutional placement to raise \$101 million
  - Partially underwritten entitlement offer to raise a minimum of \$174 million and a maximum of \$231 million
- **Proceeds will be used to strengthen the balance sheet in light of the continued impact of COVID-19 and associated government restrictions impacting travel globally**
- **Proceeds expected to be sufficient to provide for operating costs and capital expenditure through to the end of 2020, even assuming severe travel restrictions continue**
  - **An initial cost reduction program is already being implemented with further cost reductions available if required**
- **Webjet is also pursuing capital strength to be optimally positioned to benefit from likely changes in the competitive landscape due to severe financial pressure. Current focus is on mitigating the short-term impact to earnings. Webjet remains intent on maintaining its leadership positions in its global WebBeds business and Australian Webjet OTA**
- **Management believes Webjet's diversity of global source markets and product lines will position it to perform well when market conditions normalise**

**Key information related to the transaction**

Webjet Limited ("Webjet" or "the Company") today launched an equity raising by way of a fully underwritten institutional placement ("Placement") and partially underwritten 1 for 1 accelerated pro-rata, non-renounceable entitlement offer ("Entitlement Offer") to raise a minimum of \$275 million at an offer price of A\$1.70 per New Share.

The ongoing spread of COVID-19 globally and associated government restrictions has resulted in a material escalation in cancellation rates of near-term travel and a significant reduction of overall travel activity. Webjet is experiencing cancellations occurring at short notice prior to travel, which has reduced visibility on future earnings and cash flow, and has led to a material decline in revenues. Webjet anticipates that any revenue contribution in the near-term will be nominal only, until the situation improves and travel activity resumes.

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Management has implemented interim business initiatives to mitigate the near-term financial impact, including:

- Reduced Board and Executive remuneration, with the Managing Director reducing his salary by 60% for calendar year 2020 and receiving no bonus for FY20
- Deferral of Webjet's \$12.2 million interim 1H20 dividend payment to be reviewed in October 2020
- Total redundancies of 440+
- Majority of remaining staff moving to 4 working days per week
- Renegotiation of certain operational and technology contracts
- Essential capex only (planned ERP capex program delayed)
- All non-essential spend freeze (including travel, hiring, consultants, contractors etc.)
- Material decline in transactional and operational expenses tied to TTV
- No current marketing spend
- Closure of Online Republic Cruise and suspension of Webjet Exclusives

The above initiatives are expected to result in cash flow savings of c.\$13 million per month, with further cost reduction initiatives available under a significantly prolonged scenario which Webjet anticipates implementing in the event circumstances do not improve over the next 6 months.

Proceeds from the capital raising will be used to strengthen Webjet's balance sheet, with net debt reduced from \$135 million to a net cash position of \$140 million. This provides Webjet with pro forma available liquidity of \$470 million as at 29 February 2020 based on unaudited management accounts<sup>1</sup>including undrawn revolving credit facilities, which is expected to represent sufficient liquidity to the end of 2020, even assuming severe travel restrictions continue.

Prior to COVID-19, WebBeds was the fastest growing and second largest B2B player in the world and tracking ahead of its 8/4/4/ profitability target.<sup>2</sup> Webjet believes the severe financial pressure on smaller players and the industry will likely see a significant change in the competitive landscape once the impact of COVID-19 passes. This may provide an opportunity for WebBeds to gain market share as competitors come under financial strain. Once the impact of COVID-19 passes, WebBeds will also be well positioned to resume its focus on its 8/4/4 profitability target.

Webjet is a truly global business and expects that with the capital it is seeking to raise, it should be well placed to capture the pick-up in travel activity once the impact of COVID-19 passes and travel restrictions are lifted. After past outbreaks, travel demand returned to long term growth levels once

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<sup>1</sup> Includes cash of \$57.7 million plus drawn revolver of \$76.9 million.

<sup>2</sup> 8% revenue/TTV and 4% costs/TTV to deliver 4% EBITDA/TTV by FY22

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the outbreak had passed. When travel activity begins to normalise, it is expected to occur at various points in time and in different regions due to differences in timing and severity of the impact of COVID-19 in each region. As other regions are reaching their peak rates of infection, China is slowly beginning to see early signs of normalization - hotel bookings in the week to 1 March 2020 increased 40% over the previous week, while peak daily bookings for domestic flights were up 230% from the lowest level recorded in February<sup>3</sup>.

### Commentary from the Managing Director

John Guscic, Webjet's Managing Director, said: *"This equity raising importantly positions Webjet to weather the severe disruption caused by COVID-19 to the travel industry. Equally significantly, travel is a core part of life and as the travel landscape recovers, this equity will help the company emerge in a strong position relative to its competitors. It will ensure that Webjet is well positioned to capitalize on our leading WebBeds B2B and Webjet OTA operations and pursue our previously stated growth objectives and benefit from the changes in the competitive landscape."*

### Transaction Summary

Webjet today announced the launch of an Equity Raising to raise at least \$275m (the "**Offer**"), comprising:

- A fully-underwritten institutional placement ("**Placement**") to raise approximately \$101 million; and
- An Accelerated Non-Renounceable Entitlement Offer to raise up to \$231 million ("**Entitlement Offer**"), partially underwritten to \$174 million.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new Webjet share for every 1 shares held on the record date.

The offer price of A\$1.70 per new share represents a 32.2% discount to the theoretical ex-rights price of A\$2.51<sup>4</sup>.

Approximately 195.1 million new Webjet shares will be issued under the Offer. New shares will rank equally with existing shares but will not be entitled to the dividend for the 6 months ended 31 December 2019.

The Placement and institutional component of the Entitlement Offer ("Institutional Entitlement Offer") will be conducted by way of a bookbuild process.

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<sup>3</sup> Tongcheng-Elong Holdings press statement

<sup>4</sup> The Theoretical Ex-Rights Price ("TERP") is the theoretical price at which WEB shares should trade immediately after the ex-date of the Entitlement Offer and Placement, and is calculated based on the maximum size of the Entitlement Offer of \$231 million and underwritten Placement of \$101 million. TERP is a theoretical calculation only and the actual price at which WEB shares will trade on the ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP. TERP is calculated by reference to the dividend adjusted closing price of WEB shares as traded on the ASX on the last trading day prior to the announcement of the Entitlement Offer of \$3.67

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In accordance with Class Waiver Decision – Temporary Extra Placement Capacity – granted by ASX on 31 March 2020, the Placement is within Webjet’s placement capacity calculated as if Webjet’s placement capacity under Listing Rule 7.1 is 25% and not 15%, and by reference to the number of Webjet shares that may be issued under the underwritten component of the Entitlement Offer, and accordingly no shareholder approval is required in connection with the Placement. New Shares issued under the Placement do not have rights to participate in the Entitlement Offer.

### *Institutional Entitlement Offer*

Eligible institutional shareholders will be invited to participate in the Placement and institutional component of the Entitlement Offer ("**Institutional Entitlement Offer**") which is being conducted [today, Wednesday, 1 April 2020].

Eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Institutional Entitlements cannot be traded on market or transferred.

Institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to new and existing institutional investors concurrently with the Institutional Entitlement Offer.

Webjet’s shares will remain in a trading suspension pending completion of the Institutional Entitlement Offer.

### *Retail Entitlement Offer*

Eligible retail shareholders with a registered address in Australia or New Zealand will be invited to participate in the retail component of the Entitlement Offer ("**Retail Entitlement Offer**") at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 8:30am AEDT, Wednesday, 8 April 2020 and close at 5.00pm AEST, Tuesday, 21 April 2020. Eligible retail shareholders who take up their entitlement in full can also apply for additional shares in excess of their entitlement up to a maximum of 100% of their entitlement under a ‘top-up’ facility. In the event of a shortfall, the Directors of Webjet, in consultation with the joint lead managers, reserve the right to place the shortfall at their discretion. Acceptance of entitlements or the placement of any shortfall may result in existing shareholders or new investors increasing their interest in Webjet or obtaining a substantial interest in Webjet. However, the shortfall will only be placed to the extent that such placement is in compliance with the takeovers provisions of the Corporations Act 2001 (Cth), which restrict a person and their associates from having a relevant interest in the Company of not more than 20%, subject to a number of exceptions.

Further details about the Retail Entitlement Offer will be set out in the retail offer booklet, which Webjet expects to lodge with the ASX and dispatch on [8 April 2020].

Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take up their Entitlement under the Entitlement Offer in full or in part, will not receive any value in respect to those Entitlements not taken up.

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**Key dates\***

Wed, 1 Apr 20	Announcement of capital raising
Wed, 1 Apr 20	Placement and Institutional Entitlement Offer Bookbuild opens
Wed, 1 Apr 20	Placement and Institutional Entitlement Offer Bookbuild closes
Thurs, 2 Apr 20	Trading Suspension lifted, shares recommence trading on an 'ex-entitlement' basis
7:00pm, Fri, 3 Apr 20	Record date for Entitlement Offer
8:30am, Wed, 8 Apr 20	Retail Offer Booklet despatched and Retail Entitlement Offer opens
Thurs, 9 Apr 20	Settlement of Placement and Institutional Entitlement Offer
Tues, 14 Apr 20	Allotment and trading of shares issued under the Placement and Institutional Entitlement Offer
5:00pm, Tues 21 April 20	Retail Entitlement Offer closes
Thurs, 23 Apr 20	Retail Entitlement Offer results announcement
Mon, 27 Apr 20	Settlement of Retail Entitlement Offer
Tues, 28 Apr 20	Allotment of shares issued under the Retail Entitlement Offer
Wed, 29 Apr 20	Trading of shares issued under the Retail Entitlement Offer

\* All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Daylight Time (AEDT) if prior to 5 April 2020 or otherwise Australian Eastern Standard Time (AEST). Webjet reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Webjet reserves the right to extend the closing date for the Retail Entitlement Offer and to accept late applications under the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the allotment date for new shares under the Retail Entitlement Offer. Any changes to the timetable will be posted on Webjet's website at [www.webjetlimited.com](http://www.webjetlimited.com)

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES****Webjet Director participation**

Managing Director, John Guscic, intends to commit to sub-underwrite A\$5 million of the Retail Entitlement Offer on the same terms as other sub-underwriters.

**Additional details**

Further details of the Entitlement Offer are set out in the Investor Presentation pack provided to the ASX today. The pack contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

For more information, please contact

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**Important notices**

The release of this announcement was authorised by the Board of Webjet.

This notice may not be released or distributed in the United States. This notice does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The new shares to be offered and sold in the Entitlement Offer and the Placement have not been, and will not be, registered under the US Securities Act of 1933 (the "US Securities Act") or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This announcement contains certain forward looking statements and comments about future events, including about the plans, objectives and strategies of Webjet's management, the industry and the markets in which Webjet operates, Webjet's expectations about the financial and operating performance of its businesses, the potential impact and duration of the COVID-19 pandemic, the timetable and outcome of the Entitlement Offer and Placement and the use of proceeds thereof. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause Webjet's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements and many of these factors are beyond Webjet's control. Refer to the various risks factors in Appendix A under "Key Risks" of the investor presentation entitled "Investor Presentation Capital Raising [1 April] 2020" released to the ASX today. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and

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involve known and unknown risks, uncertainty and other factors, many of which are outside the control of Webjet. As such, undue reliance should not be placed on any forward looking statement. Past performance information given in this announcement is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, forecast financial information or other forecast. Nothing contained in this announcement is to be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Webjet.

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire Webjet shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial position or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Webjet is not licensed to provide investment or financial product advice in respect of Webjet shares. Cooling off rights do not apply to the acquisition of Webjet shares pursuant to the Entitlement Offer or the Placement.