



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Melbourne, 23 July 2020

ASX ANNOUNCEMENT

DESPATCH OF RETAIL ENTITLEMENT OFFER BOOKLET

Helloworld Travel Limited ABN 60 091 214 998 (ASX: HLO) (**HLO**) is pleased to announce that it has today despatched a copy of the retail offer booklet (and accompanying personalised entitlement and acceptance form) (**Retail Offer Booklet**) to eligible retail shareholders of HLO, which contains information about the retail component of HLO's fully underwritten pro rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares (**New Shares**), details of which were announced to ASX on Thursday, 16 July 2020 (**Entitlement Offer**).

A letter to retail shareholders who are ineligible to participate in the Entitlement Offer notifying them of the Entitlement Offer and their ineligibility to participate has also been despatched.

A copy of the Retail Offer Booklet is also accessible to eligible retail shareholders at <https://www.helloworldlimited.com.au/investors/>.

Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) opens today, Thursday, 23 July 2020, and is expected to close at 5.00pm (Melbourne, Australia time) on Monday, 3 August 2020. Application monies must be received prior to this time, in accordance with the Retail Offer Booklet and the personalised entitlement and acceptance form.

Shareholder enquiries

Eligible retail shareholders are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer. For further information in regard to the Retail Entitlement Offer, please do not hesitate to contact the Offer Information Line on 1300 288 664 (local call cost within Australia) or +61 2 9698 5414 (from outside Australia) at any time between 8.30am and 5.30pm (AEST), Monday to Friday.

This announcement has been authorised for release to ASX by Helloworld Travel Limited's Board of Directors.

A handwritten signature in black ink, appearing to read "David Hall".

David Hall
Chief Financial Officer & Company Secretary
Helloworld Travel Limited
+61 3 9867 9600

ABOUT HELLOWORLD TRAVEL LIMITED (ASX: HLO)

Helloworld Travel Limited (ASX: HLO) is a leading Australian & New Zealand travel distribution company, comprising retail travel networks, corporate travel management services, destination management services (inbound), air ticket consolidation, wholesale travel services, and online operations.

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This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold in the Retail Entitlement Offer have not been, and will not be, registered under the United States Securities Act of 1933 (the **U.S. Securities Act**), or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the New Shares may not be offered or sold to persons in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This announcement contains such statements that are subject to risk factors associated with an investment in HLO.

HELLOWORLD TRAVEL LIMITED

ACN 091 214 998

RETAIL ENTITLEMENT OFFER

1 for 9 pro rata accelerated non-renounceable entitlement offer of fully paid ordinary shares in the Company at an issue price of \$1.65 per New Share

Retail Entitlement Offer closes: 5.00pm (Melbourne, Australia time) on Monday, 3 August 2020 (unless extended). Valid Applications must be received before that time.

If you are an Eligible Retail Shareholder, this Retail Offer Booklet together with the personalised Entitlement and Acceptance Form which accompanies it are important documents that require your immediate attention. These documents should be read in their entirety. This Retail Offer Booklet is not a prospectus under the Corporations Act 2001 (Cth) and has not been lodged with the Australian Securities and Investments Commission. You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions. If you have any questions about the Retail Entitlement Offer, please contact the HLO Offer Information Line on 1300 288 664 (from within Australia) or +61 2 9698 5414 (from outside Australia) at any time between 8.30am and 5.30pm (Melbourne time), Monday to Friday during the Retail Offer Period.

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IMPORTANT NOTICES

This Retail Offer Booklet is dated 23 July 2020. Capitalised terms used in this Retail Offer Booklet have the meaning given to them in Section 7 of this Retail Offer Booklet.

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The Retail Entitlement Offer is made pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), which allows entitlement offers to be made without a prospectus or other disclosure document. As a result, the Retail Entitlement Offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read carefully and understand this Retail Offer Booklet and the information about the Company and the Retail Entitlement Offer made publicly available, prior to deciding whether to take up all or part of their Entitlement or apply for Additional New Shares or do nothing in respect of their Entitlement.

This Retail Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a prospectus or other disclosure document prepared in accordance with the requirements of the Corporations Act. The information in this Retail Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Retail Offer Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares and Additional New Shares through BPAY^{®1} in accordance with the instructions on the Entitlement and Acceptance Form, you will be deemed to have acknowledged that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

No overseas offering

This Retail Offer Booklet (including the accompanying Entitlement and Acceptance Form) does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Retail Shareholders and may not be distributed in the United States and the New Shares and Additional New Shares may not be offered or sold, directly or indirectly, to persons in the United States or to any person acting for the account or benefit of any person in the United States.

This Retail Offer Booklet is not to be distributed in, and no offer of New Shares or Additional New Shares is to be made under the Retail Entitlement Offer, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares, the Additional New Shares or otherwise permit the public offering of the New Shares or Additional New Shares, in any jurisdiction other than Australia.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares (and Additional New Shares) is subject to all requisite authorities and clearances being obtained for HLO to lawfully receive your Application Monies.

New Zealand

The New Shares and Additional New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Retail Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

None of the information in this Retail Offer Booklet or the personalised Entitlement and Acceptance Form accompanying it when it is dispatched to

Eligible Retail Shareholders (as set out in the "Key dates" section) constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States. Neither this Retail Offer Booklet (or any part of it) nor the personalised Entitlement and Acceptance Form, when made available, may be released or distributed, directly or indirectly, to persons in the United States.

Neither the Entitlements nor the New Shares nor the Additional New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons (including nominees or custodians) who are acting for the account or benefit of a person in the United States. Neither the Entitlements or the New Shares or the Additional New Shares may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable U.S. states securities laws. The Entitlements, the New Shares and the Additional New Shares to be offered and sold in the Retail Entitlement Offer described in this Retail Offer Booklet may only be offered and sold outside the United States in "offshore transactions" (as defined in Regulation S under the US Securities Act) in reliance on Regulation S under the US Securities Act.

Definitions, currency and time

Defined terms used in this Retail Offer Booklet are contained in Section 7. All references to time are to Melbourne, Australia time, unless otherwise indicated.

Foreign exchange

All references to '\$' are AUD unless otherwise noted.

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares and Additional New Shares. Section 0 provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of participation in the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. HLO recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Privacy

HLO collects information about each Applicant provided on an Applicant's personalised Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in HLO.

By submitting your personalised Entitlement and Acceptance Form, you will be providing personal information to HLO (directly or through its Share Registry). HLO collects, holds and will use that information to assess your Application. HLO collects your personal information to process and administer your shareholding in HLO and to provide related services to you. HLO may disclose your personal information for purposes related to your shareholding in HLO, including to its Share Registry, HLO's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that HLO holds about you. To make a request for access to your personal information held by (or on behalf of) HLO, please contact HLO through its Share Registry.

Governing law

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of Victoria, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Victoria, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Retail Offer Booklet may not be relied upon as having been authorised by HLO, its related bodies corporate or any of their respective directors, officers, employees, agents, advisers or representatives. Except as required by law, and only to the extent so required, none of HLO, its related bodies corporate or any their respective directors, officers, employees, agents, advisers or representatives, or any other person, warrants or guarantees the future performance of HLO or any return on any investment made pursuant to this Retail Offer Booklet.

Past performance

Investors should note that any past performance information given in this Retail Offer Booklet is provided for illustrative purposes only and should not be relied upon as, and is not, an indication of future HLO performance, including future share price performance.

¹ ® registered to BPAY Pty Ltd ABN 69 079 137 518.

Future performance and forward-looking statements

This Retail Offer Booklet contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “should”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance”, “project”, “forecast”, “likely”, “could”, “target” or other similar words or expressions, and include statements in this Retail Offer Booklet regarding certain plans, strategies and objectives of management of HLO and indications of, and guidance or outlook on, expected financial performance or position, future earnings, distributions, the conduct and outcome of the Entitlement Offer and the use of proceeds.

The forward-looking statements contained in this Retail Offer Booklet involve known and unknown risks, uncertainties, contingencies and other factors, many of which are beyond the control of HLO, subject to change without notice and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Retail Offer Booklet in light of those disclosures.

Neither HLO, nor any other person, gives any representation, warranty, assurance nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement actually occur. HLO disclaims any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and HLO disclaims any responsibility to update or revise any forward-looking statement to reflect any change in HLO's financial condition, status, expectations or affairs or any change in events, conditions or circumstances on which a statement is based, except as required by law.

Risks

An investment in New Shares and Additional New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of HLO, including possible delays in repayment and loss of income and principal invested. HLO does not guarantee any particular rate of return or the performance of HLO, nor does it guarantee the repayment of capital from HLO or any particular tax treatment.

Shareholders should refer to the “Key risks” section of the Investor Presentation included in Section 4 of this Retail Entitlement Offer Booklet for a summary of general and specific risk factors that may affect HLO.

Trading New Shares and Additional New Shares

HLO will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares and Additional New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by HLO or its Share Registry or otherwise, or who otherwise trade or purport to trade New Shares or Additional New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

Chairman & Managing Director's letter

Thursday, 23 July 2020

Dear Shareholder,

As a valued shareholder of Helloworld Travel Limited ("**HLO**" or the "**Company**"), we are pleased to offer you the opportunity to participate in HLO's recently announced fully underwritten 1 for 9 pro rata accelerated non-renounceable retail entitlement offer of new HLO fully paid ordinary shares ("**New Shares**") at an offer price of \$1.65 ("**Offer Price**") per New Share to raise approximately \$8.4 million.

Entitlement Offer and use of proceeds

On Thursday, 16 July 2020, HLO announced its intention to raise approximately \$50 million to increase the Company's balance sheet flexibility and to provide liquidity to help it manage the prolonged period of disruption to the global travel industry, through a fully underwritten pro rata accelerated non-renounceable entitlement offer ("**Entitlement Offer**") and a placement to Institutional Investors ("**Placement**"). The institutional component of the Entitlement Offer ("**Institutional Entitlement Offer**") and the Placement were offered at the Offer Price and successfully completed before trading in HLO Shares recommenced on ASX on Friday, 17 July 2020 and raised approximately \$41.6 million.

This retail entitlement offer booklet ("**Retail Offer Booklet**") relates to the retail component of the Entitlement Offer ("**Retail Entitlement Offer**"). The Retail Entitlement Offer is expected to raise approximately \$8.4 million.

Details of the Entitlement Offer

As noted above, the Entitlement Offer comprises an accelerated institutional component which raised approximately \$41.6 million and a retail component to raise approximately \$8.4 million.

The Placement and the Entitlement Offer is fully underwritten by Ord Minnett Limited ACN 002 733 048 (the "**Underwriter**").

The Retail Entitlement Offer opens at 9.00am (Melbourne, Australia time) on Thursday, 23 July 2020 and closes at 5.00pm (Melbourne, Australia time) on Monday, 3 August 2020.

Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders in Australia and New Zealand have the opportunity to invest at the same price as the Institutional Shareholders who participated in the Institutional Entitlement Offer. The number of New Shares and Additional New Shares for which you are entitled to subscribe under the Retail Entitlement Offer ("**Entitlement**") is set out in your personalised Entitlement and Acceptance Form which accompanies this Retail Offer Booklet.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or any other exchange, cannot be sold and is not otherwise transferable. This means that Eligible Retail Shareholders (as defined in Section 7 of this Retail Offer Booklet) who do not take up their Entitlements will not receive any value for those Entitlements and their proportionate interest in HLO will be diluted.

Eligible Retail Shareholders are entitled to subscribe for 1 new Share ("**New Share**") at the Offer Price for every 9 existing Shares in HLO ("**Existing Shares**") held at 7.00pm (Melbourne, Australia time) on Monday, 20 July 2020 ("**Record Date**") ("**Entitlement**"). Eligible Retail Shareholders who take up their Entitlement in full may also apply for additional Shares in excess of their Entitlement at the Offer Price ("**Additional New Shares**"). New Shares and Additional New Shares issued under the Entitlement Offer will rank equally with existing Shares from their date of issue.

The Offer Price of \$1.65 per New Share represents:

- a discount of approximately 16.0% to the last closing price of HLO Shares as traded on ASX before announcement of the Entitlement Offer (being \$1.965 on Wednesday, 15 July 2020);
- a discount of approximately 13.3% to the theoretical ex-rights ("**TERP**") price of \$1.9034; and²
- a discount of approximately 15.6% to the 5 day VWAP³ of \$1.9548.

How to apply

Accompanying this Retail Offer Booklet is your personalised Entitlement and Acceptance Form which contains details of your Entitlement.

The Retail Entitlement Offer closes at 5.00pm (Melbourne, Australia time) on Monday, 3 August 2020. To participate, you should ensure that you have completed your Application by paying the relevant application monies ("**Application Monies**") by BPAY® before this time in the manner described in this Retail Offer Booklet. If you are unable to pay by BPAY® (for example if you are based in New Zealand and do not have an Australian bank account), you are able to pay by cheque.

Further information

Further information on the Retail Entitlement Offer and HLO's business is detailed in this Retail Offer Booklet. You should carefully read this Retail Offer Booklet in its entirety and consult your stockbroker, accountant or other professional adviser before making your investment decision. In particular, you should read and consider Appendix A (Key risks) of the Investor Presentation included in Section 4 of this Retail Offer Booklet, which contains a summary of some of the key risks associated with an investment in HLO.

If you have any questions in respect of the Retail Entitlement Offer, please call the HLO Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) at any time from 8.30am to 5.30pm (Melbourne, Australia time) Monday to Friday during the Retail Entitlement Offer Period. This Retail Offer Booklet contains detailed information about the Entitlement Offer, including instructions on how to participate should you choose to do so. Please read this Retail Offer Booklet carefully and in its entirety before choosing to participate in the Retail Entitlement Offer.

On behalf of our fellow HLO directors, we look forward to welcoming your participation in the Retail Entitlement Offer and your continued ownership of HLO.

Yours sincerely,



Garry Hounsell
Chairman
Helloworld Travel Limited



Andrew Burnes
CEO and Managing Director
Helloworld Travel Limited

² TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares traded on ASX immediately after the ex-date for the Entitlement Offer depended on many factors and may not have been equal to TERP. TERP is calculated by reference to the closing price of HLO's Shares as traded on ASX of \$1.965 on Wednesday, 15 July 2020, being the last trading day prior to the announcement of the Entitlement Offer.

³ Volume weighted average prices in this Retail Offer Booklet were calculated as the total 5 day volume divided by the 5 day total value of Shares sold on ASX up to and including 15 July, 2020, excluding any transactions defined as 'special' crossings prior to the commencement of normal trading, crossings during the after-hours adjust phase and any overseas trades or exchange traded option exercises.

Summary of Entitlement Offer

Institutional Entitlement Offer	
Ratio	1 New Share for every 9 Existing Shares held
Offer Price	\$1.65 per New Share
Size	Approximately 8.8 million New Shares
Gross proceeds	Approximately \$14.5 million
Retail Entitlement Offer	
Ratio	1 New Share for every 9 Existing Shares held (same as Institutional Entitlement Offer)
Offer Price	\$1.65 per New Share (same as Institutional Entitlement Offer)
Size	Approximately 5.1 million New Shares
Gross proceeds	Approximately \$8.4 million
Total gross proceeds	
Expected total gross proceeds of the Entitlement Offer	Approximately \$22.9 million

Key dates

Activity	Date
Announcement of the Placement and Entitlement Offer	Thursday, 16 July 2020
Record Date for Entitlement Offer (7.00pm Melbourne, Australia time)	Monday, 20 July 2020
Retail Offer Booklet lodged with ASX	Thursday, 23 July 2020
Retail Offer Booklet and Entitlement and Acceptance Form despatched to Eligible Retail Shareholders	Thursday, 23 July 2020
Retail Entitlement Offer opens (9.00am Melbourne, Australia time)	Thursday, 23 July 2020
Issue of New Shares under the Institutional Entitlement Offer and Placement	Monday, 27 July 2020
New Shares issued under the Institutional Entitlement Offer and Placement commence trading on ASX	Tuesday, 28 July 2020
Retail Entitlement Offer closes (5.00pm Melbourne, Australia time)	Monday, 3 August 2020
Issue of New Shares and Additional New Shares issued under the Retail Entitlement Offer	Monday, 10 August 2020
Normal ASX trading for New Shares and Additional New Shares issued under the Retail Entitlement Offer commences	Tuesday, 11 August 2020
Despatch of holding statements for New Shares and Additional New Shares issued under the Retail Entitlement Offer	Wednesday, 12 August 2020

This timetable above (and each reference thereto or to dates therein in this Retail Offer Booklet) is indicative only and subject to change without notice. All times and dates in the timetable refer to Melbourne, Australia time. HLO 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, HLO reserves the right to extend the closing date for the Retail Entitlement Offer, to accept late Applications under the Retail Entitlement

Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares and Additional New Shares.

HLO also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to issue of the New Shares and Additional New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants. Cooling off rights do not apply to an investment in New Shares and Additional New Shares. You cannot withdraw your Application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

Enquiries

If you have any doubt about whether you should participate in the Retail Entitlement Offer, you should seek professional financial advice from your stockbroker, solicitor, accountant or other professional adviser before making any investment decision.

If you have questions on how to complete the Entitlement and Acceptance Form or how to take up your Entitlement or have lost your Entitlement and Acceptance Form and would like a replacement form, please call 1300 288 664 (inside Australia) and +61 2 9698 5414 (outside Australia) between 8.30am and 5.30pm (Melbourne, Australia time) Monday to Friday during the Retail Entitlement Offer Period.

Table of contents

IMPORTANT NOTICES	2
Chairman and Managing Director's letter	4
Summary of Entitlement Offer	6
Key dates	6
Enquiries	7
1 Summary of options available to you	9
2 Overview of the Entitlement Offer	11
3 How to apply	13
4 ASX Announcements and Investor Presentation	21
5 Additional information	73
6 Australian taxation consequences	79
7 Definitions	83
8 Corporate information	86

1 Summary of options available to you

If you are an Eligible Retail Shareholder⁴, you may take one of the following actions:

- take up all of your Entitlement;
- take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement;
- take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for the lapsed Entitlement; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for your Entitlement.

Options available to you	Key considerations
Option 1: Take up all of your Entitlement	<ul style="list-style-type: none">• You may elect to purchase New Shares at the Offer Price (see Section 3 "<i>How to apply</i>" for instructions on how to take up your Entitlement).• The New Shares will rank equally in all respects with Existing Shares from their date of issue (including rights to dividends and distributions).• The Retail Entitlement Offer closes at 5.00pm (Melbourne, Australia time) on Monday, 3 August 2020.
Option 2: Take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement	<ul style="list-style-type: none">• You may elect to apply for New Shares up to your Entitlement and that number of Additional New Shares in excess of your Entitlement which represents 100% of your Entitlement (see Section 3 "<i>How to apply</i>" for instructions on how to take up Additional New Shares in excess of your Entitlement).• The Company will treat you as applying for as many New Shares as your Application Monies will pay for in full up to your full Entitlement and, in respect of any Excess Amounts received by the Company, may treat your application as applying for as many Additional New Shares as your Excess Amount will pay for in full, subject to any scale-back it may determine to implement in respect of Additional New Shares. Please note that allocations of Additional New Shares are at the discretion of the Company.• The New Shares and Additional New Shares will rank equally in all respects with Existing Shares from their date of issue (including rights to dividends and distributions).• The Retail Entitlement Offer closes at 5.00pm (Melbourne, Australia time) on Monday, 3 August 2020.

⁴ See Section 5.3 of this Retail Offer Booklet.

<p>Option 3: Take up part of your Entitlement</p>	<ul style="list-style-type: none"> • If you only take up part of your Entitlement, the part not taken up will lapse and the New Shares not subscribed for will form part of the Shortfall. • If you do not take up your Entitlement in full, you will not receive any payment or value for that part of your Entitlement not taken up. • If you do not take up your Entitlement in full, you will have your percentage holding in HLO reduced as a result of the Entitlement Offer.
<p>Option 4: Do nothing, in which case your Entitlement will lapse and you will receive no value for your Entitlement</p>	<ul style="list-style-type: none"> • If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlement will lapse. • The New Shares not subscribed for will form part of the Shortfall. • Your Entitlement is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred. • If you do not take up your Entitlement, you will not receive any payment or value for your Entitlement. • If you do not take up your Entitlement, you will have your percentage holding in HLO reduced as a result of the Entitlement Offer.

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an “**Ineligible Retail Shareholder**”. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

2 Overview of the Entitlement Offer

2.1 Overview

HLO intends to raise approximately \$22.9 million under the Entitlement Offer via an offer of approximately 13.9 million New Shares at an Offer Price of \$1.65 per New Share. Eligible Retail Shareholders may also apply for Additional New Shares in excess of their Entitlement up to that number which represents 100% of their Entitlement. The allocation of any Additional New Shares will be limited to the extent that there are sufficient New Shares available from eligible Shareholders who do not take up their full Entitlement.

HLO will use the proceeds of the Entitlement Offer to increase its balance sheet flexibility and to provide liquidity to help it manage the prolonged period of disruption to the global travel industry. The Entitlement Offer has two components:

- (a) the Institutional Entitlement Offer – Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Shareholders as well as New Shares that otherwise would have been offered to Ineligible Shareholders at the Offer Price was carried out, to raise approximately \$14.5 million; and
- (b) the Retail Entitlement Offer (to which this Retail Offer Booklet relates) – Eligible Retail Shareholders will be given the opportunity to take up all or part of their Entitlement. Eligible Retail Shareholders who take up their Entitlement in full may also apply for Additional New Shares. The Retail Entitlement Offer is expected to raise approximately \$8.4 million.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable. Accordingly, Entitlements cannot be traded on the ASX, nor can they be sold, transferred or otherwise disposed of.

New Shares and Additional New Shares issued under the Retail Entitlement Offer are to be issued at the same price as New Shares issued under the Institutional Entitlement Offer. In addition, Shareholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio.

The Entitlement Offer is fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement (as summarised in Section 5.7 of this Retail Offer Booklet).

2.2 Institutional Entitlement Offer

HLO has already raised approximately \$14.5 million from Eligible Institutional Shareholders as part of the Institutional Entitlement Offer, at \$1.65 per New Share.⁵

New Shares are expected to be issued under the Institutional Entitlement Offer on Monday, 27 July 2020.

2.3 Retail Entitlement Offer

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84)) which allows entitlement offers to be offered without a prospectus, provided certain conditions are satisfied.

As a result, the Retail Entitlement Offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read and understand the information on HLO and the Retail Entitlement Offer made publicly available, prior to taking up all or part of their Entitlement. In

⁵ Settlement of the Institutional Entitlement Offer is due to occur on Friday, 24 July 2020 and is subject to certain conditions and termination events. Refer to Section 5.7.

particular, please refer to the materials in Section 4 of this Retail Offer Booklet and other announcements made available at asx.com.au and all other parts of this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders, who are invited to apply for 1 New Share for every 9 Existing Shares held on the Record Date.

The Retail Entitlement Offer opens on Thursday, 23 July 2020. This is also the date when the Retail Offer Booklet will be dispatched, along with an Entitlement and Acceptance Form, to Eligible Retail Shareholders. The Retail Entitlement Offer is expected to close at 5.00pm (Melbourne, Australia time) on Monday, 3 August 2020.

3 How to apply

3.1 Retail Entitlement Offer

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders, who are invited to apply for 1 New Share for every 9 Existing Shares held on the Record Date at 7.00pm (Melbourne, Australia time) on Monday, 20 July 2020. The Offer Price of \$1.65 per New Share represents a discount of 13.3% to the TERP of \$1.9034. Eligible Retail Shareholders who take up their Entitlement Offer in full may also apply for Additional New Shares (see Section 3.4 below for further details).

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be sold, transferred or otherwise disposed of.

The Retail Entitlement Offer opens on Thursday, 23 July 2020. The Retail Entitlement Offer is expected to close at 5.00pm (Melbourne, Australia time) on Monday, 3 August 2020.

3.2 Your Entitlement

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 1 New Share for every 9 Existing Shares held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Shares) accompanies this Retail Offer Booklet. Eligible Retail Shareholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Shares, you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Please note that the Entitlement stated on your Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (refer to the definition of Eligible Retail Shareholders in Section 5.3 of this Retail Offer Booklet). Eligible Retail Shareholders should be aware that an investment in HLO involves risks. The key risks identified by HLO are set out in Appendix A of the Investor Presentation (see Section 4 of this Retail Offer Booklet).

3.3 Nominees

The Retail Entitlement Offer is only being made to Eligible Retail Shareholders (see definition of Eligible Retail Shareholder in the 'Additional information' section). The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (e.g. for the purposes of determining whether any such persons may participate in the Entitlement Offer). Nominees and custodians may not distribute any part of this booklet, and may not permit any beneficial shareholders to participate in the Entitlement Offer, in any country outside Australia and New Zealand, without the consent of the Company. Any person that is in the United States or is a U.S. Person, or that is acting for the account or benefit of a person in the United States or a U.S. Person, will not be able to purchase the New Shares or the Additional New Shares.

3.4 Additional New Shares

Eligible Retail Shareholders who take up their Entitlement in full may also apply for that number of Additional New Shares which represents 100% of their Entitlement at the Offer Price per Additional New Share (**Additional New Share Cap**).

Allocations of Additional New Shares are at the discretion of the Company and will be subject to the Additional New Share Cap. The Company may scale back applications for Additional New Shares having regard to all relevant circumstances, including an Eligible Retail Shareholder's underlying shareholding at the Record Date and in the event that an application for Additional New Shares is received from an Eligible Retail Shareholder which is in excess of the Additional New Share Cap.

There is no guarantee that you will receive the amount of Additional New Shares applied for above your Entitlement, if any. The allocation of any Additional New Shares will be limited to the extent that there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlement and will be subject always to the Additional New Share Cap.

Any Excess Amount paid by you may be treated as an application to apply for as many Additional New Shares as your Excess Amount will pay for in full. No Additional New Shares will be issued to an Eligible Retail Shareholder which will result in them increasing their voting power in the Company above 20% or exceeding the Additional New Share Cap.

3.5 Options available to you

The number of New Shares to which Eligible Retail Shareholders are entitled is shown on the Entitlement and Acceptance Form that accompanies this Retail Offer Booklet. Eligible Retail Shareholders may:

- (a) take up their Entitlement in full by the Closing Date (refer to Section 3.6);
- (b) take up their Entitlement in full and also apply for Additional New Shares in excess of their Entitlement by the Closing Date (refer to Section 3.6);
- (c) take up part of their Entitlement by the Closing Date, in which case the balance of their Entitlement would lapse (refer to Section 3.7); or
- (d) do nothing and allow their Entitlement to lapse (refer to section 3.8).

The Retail Entitlement Offer is an offer to Eligible Retail Shareholders only. Ineligible Retail Shareholders may not take up all or part of their Entitlement.

HLO reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Retail Entitlement Offer is **5.00pm (Melbourne, Australia time) on Monday, 3 August 2020** (however, that date may be varied by HLO, in accordance with the ASX Listing Rules and applicable law).

3.6 Taking up all of your Entitlement

If you wish to take up all of your Entitlement or take up all of your Entitlement and apply for Additional New Shares up to the Additional New Share Cap, payment must be made via BPAY® if possible. Eligible Retail Shareholders based in New Zealand who do not have an Australian bank account will be able to pay by cheque in Australian currency. Payments must be made by following the instructions set out on the Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (Melbourne, Australia time) on the Closing Date (ie Monday, 3 August 2020).

The Company will treat you as applying for as many New Shares as your Application Monies will pay for in full up to your full Entitlement and, in respect of any Excess Amounts received by the Company, may treat your application as applying for as many Additional New Shares as your Excess Amount will pay for in full, subject to the Additional New Share Cap and any scale-back it may determine to implement. Please note that allocations of Additional New Shares are at the discretion of the Company.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders). If you wish to advise or change your banking instructions with the Share Registry you may do so by going to logging into <https://investor.automic.com.au/#/home> before the Entitlement Offer closes.

3.7 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, payment must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. If HLO receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full.

3.8 Allowing your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and your Entitlement will lapse. The New Shares not subscribed for will form part of the Shortfall.

3.9 Consequences of not taking up all or part of your Entitlement

If you do not take up all or part of your Entitlement in accordance with the instructions set out above, those New Shares representing your Entitlement (or the part of your Entitlement not taken up) will be acquired by the Underwriter or any sub-underwriters.

By allowing all or part of your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares representing that part of your Entitlement not taken up and you will not receive any value for that part of your Entitlement. Your interest in HLO will also be diluted.

3.10 Payment

Payment should be made using BPAY® if possible. Eligible Retail Shareholders who do not have an Australian bank account will be able to pay by cheque in Australian currency (see below at Section 3.12).

Cash payments will not be accepted. Receipts for payment will not be issued.

The Company will treat you as applying for as many New Shares as your Application Monies will pay for in full up to your full Entitlement and, in respect of any Excess Amounts received by the Company, may treat your application as applying for as many Additional New Shares as your Excess Amount will pay for in full, subject to the Additional New Share Cap and any scale-back it may determine to implement. Please note that allocations of Additional New Shares are at the discretion of the Company.

Any Application Monies received for more than your final allocation of New Shares or Additional New Shares (as the case may be) will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

3.11 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

Please note that by paying by BPAY®:

- (a) you do not need to submit your Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.13 of this Retail Offer Booklet; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Melbourne, Australia time) on the Closing Date (ie Monday, 3 August 2020). You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

3.12 If you are unable to pay by BPAY®

HLO encourages payments by BPAY® if possible.

If you are unable to pay by BPAY® and wish to make a payment by cheque, you should complete your Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to 'HLO Retail Offer' and crossed 'Not Negotiable'.

It is your responsibility to ensure that your payment by cheque is received by the Share Registry by no later than 5.00pm (Melbourne, Australia time) on the Closing Date (ie Monday, 3 August 2020) at the address set out below:

Mailing Address

Helloworld Travel Limited
C/- Automic
GPO BOX 5193
Sydney, NSW 2001

Hand Delivery

Helloworld Travel Limited
C/- Automic
Level 5, 126 Phillip Street
Sydney NSW 2000 (please do not use this address for mailing purposes)

By email

corporate.actions@automicgroup.com.au

You must ensure cleared funds are held in your account as your cheque will be banked as soon as it is received. Please note that you should consider postal and cheque clearance timeframes in meeting this deadline.

Your cheque must be:

- a) for an amount equal to \$1.65 multiplied by the number of New Shares and Additional New Shares (if any) that you are applying for; and
- b) in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient

to pay in full for the number of New Shares and Additional New Shares (if any) you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares and Additional New Shares (as the case may be) as your cleared Application Monies will pay for (and to have specified that number of New Shares and Additional New Shares (as the case may be) on your Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

3.13 Payment through BPAY® or submission of Entitlement and Acceptance Form is binding

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares and Additional New Shares (as the case may be) on the terms and conditions set out in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares and Additional New Shares (as the case may be). HLO's decision whether to treat an Application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPAY® or by completing and returning your Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you are (or the person on whose account you are acting is) an Eligible Retail Shareholder;
- (b) you have read and understood this Retail Offer Booklet and your Entitlement and Acceptance Form in their entirety;
- (c) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet (and accompanying Entitlement and Acceptance Form), and HLO's constitution;
- (d) you authorise HLO to register you as the holder(s) of New Shares and Additional New Shares (if any) issued to you;
- (e) all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (f) you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Entitlement and Acceptance Form;
- (g) you acknowledge that once HLO receives your Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your Application or funds provided except as allowed by law;
- (h) you agree to apply for and be issued up to the number of New Shares and Additional New Shares (as the case may be) specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, including in each case, any Additional New Shares, at the Offer Price per New Share noting that allocations of Additional New Shares are subject to the Additional New Share Cap and are at the absolute discretion of the Company;
- (i) you authorise HLO, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares and Additional New Shares (if any) to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;

- (j) you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date and are an Eligible Retail Shareholder;
- (k) the information contained in this Retail Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares and Additional New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (l) this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in HLO and is given in the context of HLO's past and ongoing continuous disclosure announcements to ASX;
- (m) the statement of risks in Appendix A to the Investor Presentation included in Section 4 of this Retail Offer Booklet, and that investments in HLO are subject to risks;
- (n) you acknowledge that none of HLO, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of HLO, nor do they guarantee the repayment of capital;
- (o) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (p) you authorise HLO to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (q) for the benefit of HLO, the Underwriter and their respective related bodies corporate and affiliates, that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (r) determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and Share Registry constraints and the discretion of HLO and / or the Underwriter, and each of HLO and the Underwriter and their respective related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;
- (s) the law of any place does not prohibit you from being given this Retail Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and Additional New Shares (as the case may be) and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (t) for the benefit of HLO, the Underwriter and their respective related bodies corporate and affiliates, that you are not in the United States and you are not acting for the account or benefit of a person in the United States;
- (u) you understand and acknowledge that neither the Entitlements nor the New Shares nor and Additional New Shares (as the case may be) have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. The Entitlements may not be taken by persons in the United States or by persons who are acting for the account or benefit of a person in the United States;
- (v) if you are in the United States and/or are acting for the account or benefit of a person in the United States, you are subscribing for or purchasing the New Shares and Additional

New Shares in an “offshore transaction” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;

- (w) you are not engaged in the business of distributing securities;
- (x) you have not and will not send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- (y) if in the future you decide to sell or otherwise transfer the New Shares or Additional New Shares acquired under the Retail Entitlement Offer you will only do so in “regular way” transactions on ASX or Chi-x where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;
- (z) you are eligible under applicable securities laws to exercise Entitlements and acquire New Shares and Additional New Shares (as the case may be) under the Retail Entitlement Offer; and
- (aa) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person.

3.14 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares and/or Additional New Shares (as the case may be) under the Retail Entitlement Offer.

3.15 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees or custodians with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from HLO. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees or custodians for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States.

HLO is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. HLO is not able to advise on foreign laws.

For the avoidance of doubt, HLO reserves the right (in its absolute sole discretion) to reduce the number of New Shares and Additional New Shares (as the case may be) allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

HLO also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

3.16 Withdrawal of the Entitlement Offer

Subject to applicable law, HLO reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares and Additional New Shares, in which case HLO will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders).

3.17 Risks

Eligible Retail Shareholders should be aware that an investment in HLO involves risks. The key risks identified by HLO are set out in the Investor Presentation in Section 4 of this Retail Offer Booklet, but these are not an exhaustive list of the risks associated with an investment in the Shares.

3.18 Further enquiries

If you have not received or you have lost your Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the Share Registry on 1300 288 664 (within Australia) and +61 2 9698 5414 (outside of Australia) at any time from 8.30am to 5.30pm (Melbourne, Australia time) Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (Melbourne, Australia time) on the Closing Date (ie Monday, 3 August 2020). If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

4 ASX Announcement and Investor Presentation



Melbourne, 16 July 2020

ASX ANNOUNCEMENT

\$50.0 MILLION UNDERWRITTEN EQUITY RAISING TO ENHANCE LIQUIDITY

- ~\$50.0 million fully underwritten equity raising to bolster balance sheet and provide liquidity to help manage the prolonged period of disruption to the global travel industry
- Strong liquidity position, with ~\$187.1 million cash and facilities post equity raising¹
- Travel restrictions in place and expected to persist through 2020 and into 2021
- Net cash operating costs reduced from ~\$23.0 million to ~\$2.0 million per month²
- Discretionary expenditure reduced to near nil from April 2020
- Helloworld well placed to capitalise on the disruption to the global travel industry by identifying, and having the financial flexibility, to continue to gain market share and drive sustainable cost efficiencies.

Helloworld Travel Limited (**Helloworld** or **Company**) (ASX: HLO) is pleased to announce that it has launched a fully underwritten ~\$50.0 million Equity Raising (**Equity Raising**) to increase the Company's balance sheet flexibility and to provide liquidity to help it manage the prolonged period of disruption to the global travel industry.

Operational Update and Outlook

Further to the Company's March trading update, travel restrictions remain in place and are expected to last through the remainder of 2020 and into 2021. As a result, the Company expects TTV to remain at ~10–12% of previous levels until September 2020 and then progressively increase as State borders and potential trans-Tasman travel bubbles open.

The Company's diversified businesses, which include a mix of domestic and international leisure travel, corporate travel and wholesale travel operations, are positioned to benefit from a recovery in 2021 and 2022. The Company is already seeing an increase in domestic air and land bookings, aligned to planned capacity increases by the domestic carriers. The Company's corporate business which comprises 70% domestic TTV, is increasing week by week as borders restrictions have eased.

Following completion of the Equity Raising, the Company will have sufficient liquidity for operating and capital expenditure through to the end of 2022 assuming ongoing disruption.

¹ Includes client cash of approximately \$60.0 million

² Net of Job Keeper in Australia and Wage Subsidy in New Zealand

Update on Cost Saving Initiatives Implemented

Helloworld moved quickly to reduce costs to seek to preserve liquidity and can sustain the business over a prolonged period of disruption to global travel.

Net cash operating costs progressively reduced to ~\$2.0 million per month (net of Job Keeper in Australia and Wage Subsidy in New Zealand) from late March 2020 and discretionary variable expenditure reduced to near nil from April 2020. Material cost reductions, including those from landlords and suppliers, will be sustained over the balance of 2020.

The Company has closed its offices in Manila and Mumbai. We have also divested our US wholesale operation. The Company is assisting the retail travel agents and brokers in our networks in Australia and New Zealand to manage their way through this challenging period until demand returns including suspending all franchise and marketing fees from 1 April 2020 to 31 March 2021 and we are working with the retail networks to promote available destinations with a wide range of domestic products now in market. To date, approximately 5% of franchisees have elected to close.

Update on Liquidity Position

Helloworld's liquidity position will be enhanced following completion of the Equity Raising with sufficient liquidity to provide for operating and capital expenditure through to the end of 2022 assuming ongoing disruption to the international travel markets.

Cash continues to be collected from debtors and Helloworld has not experienced material debtor defaults, though some amounts are being collected slower than historical levels. Amounts owed by Virgin Australia will continue to be assessed for recoverability. The net working capital position remains robust, complemented by pro forma available liquidity and an extended debt maturity profile.

Helloworld expects to report impairments of intangible assets and restructuring related provisions as a consequence of COVID-19 in our FY20 results.

Equity Raising

Helloworld has today announced a fully underwritten Equity Raising of ~\$50.0 million comprising an Institutional Placement and an Entitlement Offer.

The Placement and Entitlement Offer will result in the issue of 30.303 million new fully paid ordinary shares in Helloworld (**New Shares**), representing approximately 24.3% of existing Helloworld shares on issue. Each New Share issued under the Placement and the Entitlement Offer will rank equally with existing shares on issue.

Placement

The ~\$27.1 million Placement is fully underwritten and will be offered to institutional investors at \$1.65 per share, representing a 16% discount to the last traded price of \$1.965 on Wednesday, 15 July 2020. The Placement is being conducted today, Thursday, 16 July 2020.

The Entitlement Offer

The Entitlement Offer of ~\$22.9 million will consist of a 1-for-9 accelerated pro-rata non renounceable entitlement offer, including:

- a fully underwritten institutional entitlement offer to raise ~\$17.5 million (**Institutional Entitlement Offer**); and
- a fully underwritten retail entitlement offer to raise ~\$5.4 million (**Retail Entitlement Offer**).

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 Helloworld share for every 9 shares they hold as at 7:00pm (Melbourne Time) on Monday, 20 July 2020 (the Record Date). Fractional entitlements will be rounded up to the nearest whole share. All New Shares in the Entitlement Offer will be issued at a price of \$1.65 per New Share which represents:

- a 16% discount to the last close price of \$1.965 on Wednesday, 15 July 2020; and
- a 13% discount to the theoretical ex-rights price (TERP)³ of \$1.90.

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

Ord Minnett Limited is acting as Sole Lead Manager, Bookrunner and Underwriter to the Equity Raising. The Placement and Entitlement Offer are fully underwritten.

Helloworld's shares will remain in a trading halt pending completion of the Placement and the Institutional Entitlement Offer.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which is being conducted today, Thursday, 16 July 2020. Eligible institutional shareholders can choose to take up all, part or none of their entitlements under the Entitlement Offer.

Entitlements not taken up by institutional shareholders cannot be traded on market or transferred. Entitlements not taken up by eligible institutional shareholders, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to new and existing institutional shareholders concurrently with 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 Entitlement Offer. The Retail Entitlement Offer will open on Thursday, 23 July 2020 and closes at 5:00pm (Melbourne time) on August, 3 July 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.

³ Theoretical ex-rights price (TERP) includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of Helloworld's Shares as traded on ASX on Wednesday, 15 July 2020, being the last trading day prior to the announcement of the Entitlement Offer.

Further details about the Retail Entitlement Offer will be set out in the retail offer booklet, which Helloworld expects to lodge with the ASX and despatch on Thursday, 23 July 2020.

Major Shareholder Participation

Entities associated with Andrew Burnes and Cinzia Burnes have indicated their intention to subscribe for \$5.0 million of New Shares under the Entitlement Offer in aggregate which represents ~70% of their pro rata entitlement.

QH Tours Limited (a subsidiary of Qantas Airways Limited) has indicated their intention not to participate in the Offer.

Entities associated with Spiros Alysandratos and Irene Alysandratos have indicated they will consider their participation upon receipt of the Offer documentation.

Equity Raising Timetable⁴

Event	Date (2020)
Equity Raising announcement and Placement and Institutional Entitlement Offer opens	Thursday, 16 July
Placement and Institutional Entitlement Offer closes	Thursday, 16 July
Trading in Helloworld shares resumes on an ex-entitlement basis	Friday, 17 July
Record date for determining entitlement for the Entitlement Offer	7:00pm, Monday, 20 July
Despatch of Retail Offer Booklet and Retail Entitlement Offer opens	Thursday, 23 July
Settlement of Placement and Institutional Entitlement Offer	Friday, 24 July
Allotment of New Shares issued under the Placement and Institutional Entitlement Offer	Monday, 27 July
Normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Tuesday, 28 July
Retail Entitlement Offer closing date	5:00pm, Monday, 3 August
Settlement of Retail Entitlement Offer	Friday, 7 August
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 10 August
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 11 August
Despatch of holding statements	Wednesday, 12 August

Helloworld's CEO and Managing Director, Andrew Burnes said:

"This equity raising will provide Helloworld with the balance sheet liquidity and flexibility to maintain its operating and capital expenditures well into 2022.

With a strong track record of growth and having grown EBITDA from \$25.3 million in FY2016 to \$77.3 million in FY2019, Helloworld is highly confident that once activity in the travel sector starts to normalise, it will be well positioned to generate increased levels of TTV and EBITDA in the years ahead."

⁴ All dates and times are indicative and Helloworld reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Melbourne, Australia time.

Additional Details

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

INVESTOR CONTACT:

David Hall
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Helloworld Travel Limited
+ 61 3 9867 9600
david.hall@helloworld.com.au

About Helloworld Travel Limited

Helloworld Travel Limited (ASX: HLO) is a leading Australian & New Zealand travel distribution company, comprising retail travel networks, corporate travel management services, destination management services (inbound), air ticket consolidation, wholesale travel services, and online operations.

FURTHER INFORMATION

Helloworld Travel Limited is being advised by Ord Minnett Limited as Sole Lead Manager, Bookrunner and Underwriter to the Equity Raising. MinterEllison is acting as Legal Adviser to HLO in relation to the Equity Raising.

IMPORTANT NOTICES

This announcement has been authorised by the Board of Helloworld Travel Limited (**HLO**).

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement 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 Equity Raising 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.

ALLOCATION POLICY – INSTITUTIONAL ENTITLEMENT OFFER

In respect of the Institutional Entitlement Offer, HLO will attempt to allocate shares to its existing institutional shareholders in accordance with their pro-rata entitlements. To the extent that the applications received do not amount in value to the target amount of proceeds under the Institutional Entitlement Offer, eligible institutional shareholders will be permitted to apply for more than their entitlement. HLO may also in those circumstances offer shares to new institutional shareholders.

FORWARD LOOKING STATEMENTS

This announcement contains certain "forward-looking statements" including but not limited to projections, that are based on management's beliefs, assumptions and expectations and on information currently available to management. 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", "outlook", "guidance" and other similar expressions within the meaning of securities

laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Equity Raising and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of HLO, statements about the industry and the markets in which HLO operates and statements about the future performance of the HLO businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements.

You should note the current economic climate and the significant volatility, uncertainty and disruption to equity and capital markets caused by the outbreak of COVID-19. Any forward looking statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. This includes statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of HLO and its subsidiaries, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of the HLO's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the HLO's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the key risks in Appendix A of the Investor Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect HLO and its subsidiaries.

There can be no assurance that actual outcomes will not differ materially from these forward- looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in the Investor Presentation. Investors should consider the forward-looking statements contained in this announcement in light of those risks and disclosures. The forward-looking statements are based on information available to HLO as at the date of this announcement.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including HLO or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules), none of HLO, its representatives or advisers undertakes any obligation to provide any additional or updated information in respect of any statements made, whether as a result of a change in expectations or assumptions, conditions, new information, future events or results or otherwise.

Andrew Burnes CEO
David Hall CFO

Andrew Burnes CEO
David Hall CFO

Important Notice and Disclaimer



Important information

The following notice and disclaimer applies to this investor presentation (**Presentation**) and you are therefore advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation. By accepting this Presentation you represent and warrant that you are entitled to receive the Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it.

This Presentation is dated 16 July 2020 and has been prepared and authorised by Helloworld Travel Limited (ABN 60 091 214 998) (**Helloworld** or the **Company**) in connection with the Company's proposed fully underwritten:

- 1 for 9 pro rata accelerated non-renounceable entitlement offer of new Helloworld fully paid ordinary shares (**New Shares**) (**Entitlement Offer**) to be made under section 708AA of the Corporations Act 2001 (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73, the Corporations Act); and
 - institutional placement of New Shares to certain professional and sophisticated investors (**Placement**),
- (the Entitlement Offer and the Placement are together referred to as the **Offer** in this Presentation). The Entitlement Offer will be made to eligible retail shareholders of Helloworld (**Retail Entitlement Offer**) and eligible institutional shareholders of Helloworld (**Institutional Entitlement Offer**).

Ord Minnett Limited (**Ord Minnett** or **Underwriter**) is acting as sole lead manager and underwriter of the Offer.

Not an offer

This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission (**ASIC**)) or any other law. This presentation is for information purposes only and is not an offer or an invitation to acquire the New Shares or any other financial products in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or invitation. The Retail Entitlement Offer will be made on the basis of the information contained in the retail offer booklet to be prepared for eligible retail shareholders of the Company in Australia and New Zealand (**Retail Offer Booklet**) and made available following its lodgement with ASX. Any eligible retail shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet before deciding whether to apply for New Shares under the Retail Entitlement Offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the entitlement and acceptance form.

This Presentation does not constitute investment or financial advice (nor tax, accounting or legal advice) or any recommendation to acquire New Shares and does not and will not form any part of any contract for the acquisition of New Shares.

This Presentation may not be distributed or released in the United States. This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold under the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

Important Notice and Disclaimer

Not an offer (Cont'd)

By accepting this Presentation you represent and warrant that you are entitled to receive such Presentation in accordance with the above restrictions and agree to be bound by the limitations contained herein.

The distribution of this Presentation (including an electronic copy) may be restricted by law in certain other countries. You should read the important information set out in the 'Foreign selling restrictions' in Appendix B to this Presentation. Failure to comply with these restrictions may constitute a violation of applicable securities laws.

Each recipient of this presentation should make their own enquiries and investigations regarding all information included in this presentation including the assumptions, uncertainties and contingencies which may affect Helloworld's future operations and the values and the impact that future outcomes may have on Helloworld.

Summary Information

This Presentation contains summary information about Helloworld and its subsidiaries (**Group**) and their respective activities which is current only as at the date of this Presentation (unless otherwise stated). The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Helloworld or that would be required to be included in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. Helloworld's historical information in this Presentation is, or is based upon, information that has been released to the Australian Securities Exchange (**ASX**). This Presentation should be read in conjunction with Helloworld's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

Market and Industry Data

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of the Company, its representatives or advisers have independently verified any such market or industry data provided by third parties or industry or general publications.

Not Financial Product Advice

This Presentation is for information purposes only and is not financial product advice or investment advice, nor a recommendation to acquire New Shares, will not form part of any contract for the acquisition of New Shares and has been prepared without taking into account the objectives, financial situation and needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of the New Shares.

Past Performance

Past performance and pro forma historical financial information in this Presentation is given for illustrative purposes only and should not be relied upon and is not an indication of future performance, including future share price information. Historical information in this Presentation relating to Helloworld is information that has previously been released to the market. For further details on that historical information, please see past announcements released by the Company to the ASX.

Important Notice and Disclaimer

Forward Looking Statements

The information in this Presentation is subject to change without notice and Helloworld is not obliged to update or correct it. This Presentation contains statements that constitute "forward-looking statements". The forward-looking statements in this Presentation include statements regarding Helloworld's intent, belief or current expectations with respect to the timetable, conduct and outcome of the Offer and the use of proceeds therefore, statements about the plans, objectives and strategies of the management of the Group, statements about the industry and markets in which the Group operates, statements about the future performance of the Group's business activities and its financial condition, indicative drivers, forecasted economic indicators and the outcome of the Offer and the use of proceeds. Words such as "will", "may", "expect", "indicative", "intent", "seek", "would", "should", "could", "continue", "plan", "probability", "risk", "forecast", "likely", "estimate", "anticipate", "believe", "aim" or similar words are used to identify forward-looking statements.

You should note the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any forward-looking statements, opinions and estimates in this Presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Helloworld, its officers, employees, agents and advisers, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of the Group's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Helloworld's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the 'Risk factors' in Appendix A of this Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Group.

There can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in this Presentation. Investors should consider the forward-looking statements contained in this Presentation in light of those risks and disclosures. The forward-looking statements are based on information available to Helloworld as at the date of this Presentation. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise is disclaimed. Helloworld disclaims any responsibility to update or revise any forward-looking statement to reflect any change in the Group's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law.

Disclaimer

While the information in this Presentation has been prepared in good faith and with reasonable care, no representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statements, estimate, opinions or other information contained in the presentation. Neither the Underwriter nor any of the Underwriter's or Helloworld's respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, have authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Presentation and none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them. To the maximum extent permitted by law, Helloworld, the Underwriter and each of their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents:

Important Notice and Disclaimer

Disclaimer (Cont'd)

- exclude and disclaim all liability (including, without limitation, for negligence) for any direct or indirect expenses, losses, damages or costs incurred as a result of participation in the Offer or the information in this Presentation being inaccurate or incomplete in any way for any reason; and
- make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation and take no responsibility for any part of this Presentation.

The Underwriter and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents (Underwriter Parties) take no responsibility for the Offer and make no recommendations as to whether any person should participate in the Offer nor do they make any representations or warranties concerning the Offer, and they disclaim (and by accepting this Presentation you disclaim) any fiduciary relationship between them and the recipients of this Presentation, or any duty to the recipients of this Presentation or participants in the Offer. Determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including at discretion of Helloworld and/or the Underwriter. Helloworld and the Underwriter Parties disclaim any liability in respect of the exercise of that discretion, to the maximum extent permitted by law. A summary of the key terms of the underwriting agreement between Helloworld and the Underwriter is provided in Appendix C.

Financial Information and References to Helloworld

In this Presentation, unless otherwise stated or the context requires otherwise, references to "dollar amounts", "\$", "AUD" or "A\$" are to Australian dollars.

This Presentation includes certain historical financial information extracted from Helloworld's audited consolidated financial statements for the 6 months ended 31 December 2019 (collectively, the Historical **Financial Information**). The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the Australian Accounting Standards (**AAS**) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Historical Financial Information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of the Helloworld's views on its future financial condition and/or performance. Investors should be aware that certain financial measures included in this Presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and are not recognised under AAS or International Financial Reporting Standards (IFRS). Such non-IFRS financial information does not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although Helloworld believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of the Group's business, investors are cautioned not to place undue reliance on any non-IFRS financial information included in this Presentation.

In this presentation references to "Helloworld", "we", "us" and "our" are to Helloworld Travel Limited and its controlled subsidiaries. A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Withdrawal and Cooling-Off

Helloworld reserves the right to withdraw or vary the timetable for any part of the Offer without notice. Cooling off rights do not apply to the acquisition of New Shares.



AGENDA

1. Operational Update and Outlook
2. Capital Structure and Liquidity
3. Details of the Offer

Appendix A: Key Risks

Appendix B: Foreign Selling Restrictions

Appendix C: Underwriting Agreement Summary

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6



Executive Summary

Ongoing impact of COVID-19

- Pro-longed travel restrictions in place and expected to last through the remainder of 2020 and into 2021.
- Globally, governments and border controls have resulted in travel restrictions to inbound and outbound tourists entering countries.
- Current domestic border restrictions impact domestic tourism businesses and Australian interstate travel.
- Bookings, measured in Total Transaction Value (TTV), not likely to significantly increase until restrictions are reduced and currently ~10% of p.c.p. levels and expected to increase as restrictions are eased.

Cost saving initiatives implemented

- Helloworld moved quickly to reduce costs to seek to preserve liquidity and can sustain the business over a prolonged period of disruption to global travel.
- Net cash operating costs progressively reduced to ~\$2.0 million per month (net of Job Keeper in Australia and Wage Subsidy in New Zealand) from late March 2020.
- Discretionary variable expenditure reduced to near nil from April 2020.
- Material cost reductions, including those from landlords and suppliers, will be sustained over the balance of 2020.
- We have closed our offshore centres in Manila and Mumbai. In aggregate, ~90% of associated Manila and Mumbai personnel have already been made redundant. We have also divested our US wholesale operation.
- The Company is assisting our ~2,500 retail travel agents and brokers to manage their way through this period until demand returns including suspending all franchise and marketing fees from 1 April 2020 to 31 March 2021 and we are working with them to promote available destinations with a wide range of domestic products now in market. To date, 5% of franchisees have elected to close.

Trading update and outlook

- Bookings expected to remain at ~10-12% of previous levels until September 2020 and are then expected to progressively increase as State borders and the potential trans-Tasman bubble open.
- Our diversified business includes a mix of domestic and international leisure travel, corporate travel and wholesale travel. This means we are well placed to benefit from a recovery. We are seeing an increase in domestic air and land bookings, aligned to planned capacity increases by the domestic carriers (notably Qantas who have indicated plans to ramp-up domestic capacity to 40% of pre COVID-19 levels during July 2020).
- HLO's corporate business comprises 70% domestic TTV and is increasing week by week as borders open up.

Executive Summary

Balance sheet and liquidity initiatives

- Helloworld is undertaking a ~\$50.0 million fully underwritten equity raising (**Equity Raising** or **Offer**) of new fully paid ordinary shares in the Company (New Shares). The Offer comprises a:
 - ~\$27.1 million institutional placement (**Placement**); and
 - ~\$22.9 million 1 for 9 accelerated pro rata non-renounceable entitlement offer (**Entitlement Offer**), comprising an institutional entitlement offer (**Institutional Entitlement Offer**) to raise ~\$17.5 million and a retail entitlement offer (**Retail Entitlement Offer**) to raise ~\$5.4 million.
- Entities associated with Andrew Burnes (CEO) and Cinzia Burnes (Executive Director) have indicated their intention to subscribe for \$5.0 million of New Shares under the Entitlement Offer in aggregate which represents ~70% of their pro rata entitlement.
- Helloworld remains in a strong position with an extended debt maturity profile, cash reserves and undrawn facilities.
- Pro forma liquidity position, with ~\$187.1 million¹ cash and facilities post equity raising. Proceeds of the Offer will be used to increase Helloworld's balance sheet flexibility and provide liquidity to manage the business through a prolonged period of disruption to the global travel industry.

Notes:

1. Includes client cash of ~\$60.0 million. Cash balances per general ledger. A dividend of \$11.2 million was paid on 19 March 2020.

Track Record of Performance

- Since the completion of the merger between Helloworld and AOT Travel Group in 2016, Helloworld has reported consecutive periods of EBITDA and EBITDA margin growth from FY2016 to FY2019.
- From FY2016 to FY2019, Helloworld has successfully completed and integrated several acquisitions and have implemented significant cost reduction strategies as evidenced by the reported EBITDA results.
- Several of the additional cost saving initiatives implemented as a result of the COVID-19 pandemic are expected to yield long term benefits and further improve margins once domestic and global travel return to normal levels.

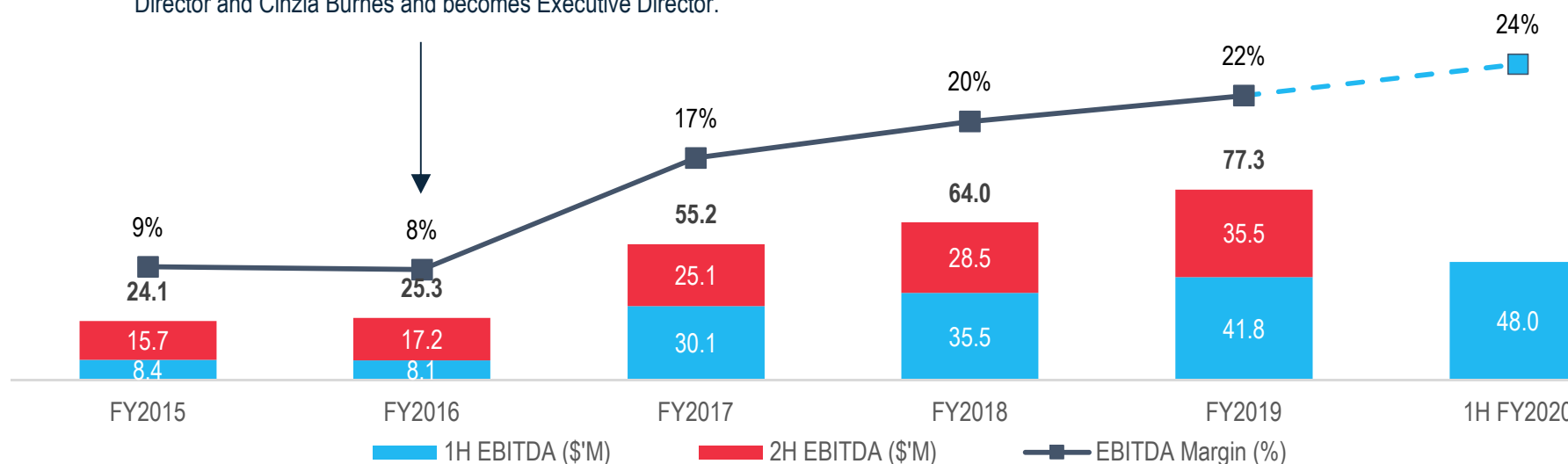
Helloworld Reported EBITDA (A\$'millions) FY2015 – 1H FY2020

January 2016

- Merger of Helloworld and AOT Travel Group completed.
- Andrew Burnes appointed Chief Executive Officer and Managing Director and Cinzia Burnes becomes Executive Director.

March 2020

- Helloworld withdrew guidance on 11 March 2020 due to COVID-19. Prior to this, Helloworld expected to deliver underlying EBITDA within the range of the earnings guidance previously provided (being \$86.0 million to \$90.0 million).



Source: Company reported results.

Notes:

- 1H FY2020 represents underlying EBITDA and excludes the impact of AASB 16: Leases. The FY2019 Underlying EBITDA result will be presented in the FY2020 financial statements.



SECTION 1: Operational Update and Outlook

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10



37

COVID-19 Cost Mitigation

Helloworld has taken several critical steps with a view of cost mitigation to minimise ongoing cash burn:

Operating costs	<ul style="list-style-type: none"> Net cash operating costs progressively reduced to ~\$2.0 million per month (net of JobKeeper in Australia and Wage Subsidy in New Zealand) from late March 2020. Government support in Australia is expected to be available in the short-term. Reduction in net salary costs from ~\$12.0 million per month to ~\$1.7 million per month net of Government allowances and recoveries from clients. Two executive directors and three non-executive directors reduced remuneration to zero from late March until June 2020. Senior management remain at 60% of their previous remuneration. Remuneration for the two executive directors are currently at ~ 20% of pre COVID-19 levels. We continue to promote domestic travel with marketing spend co-funded by partners. Our occupancy costs will continue to be reviewed as the COVID-19 pandemic evolves. Savings have been realised through the closure of our offshore centres in Mumbai and Manila and the divestment of our US wholesale operation. June quarter EBITDA loss expected to be limited to ~\$3.5 million (unaudited)¹.
Workforce	<ul style="list-style-type: none"> Helloworld currently has ~1,500 personnel, with: <ul style="list-style-type: none"> ~800 working in the business on reduced hours, representing ~480 FTE; and ~700 personnel who remain stood down.
Government Assistance	<ul style="list-style-type: none"> In aggregate, we have accessed the Australian Government's JobKeeper scheme and the New Zealand Government's Wage Subsidy Scheme for over 1,200 employees. We anticipate further wage relief may be made available in Australia and possibly New Zealand and will form part of our ongoing workforce strategy. Any such relief may mitigate further job losses. In the event that wage relief available to Helloworld is materially reduced, one-off charges may be incurred.
Capital Expenditure	<ul style="list-style-type: none"> Technology investment slowed with mission-critical investments in technology proceeding.

Notes:

1. Excludes impairments of intangible assets and restructuring related provisions that are expected to arise as a consequence of COVID-19.

COVID-19 Cost Mitigation

Helloworld has taken several critical steps with a view of cost mitigation to minimise ongoing cash burn:

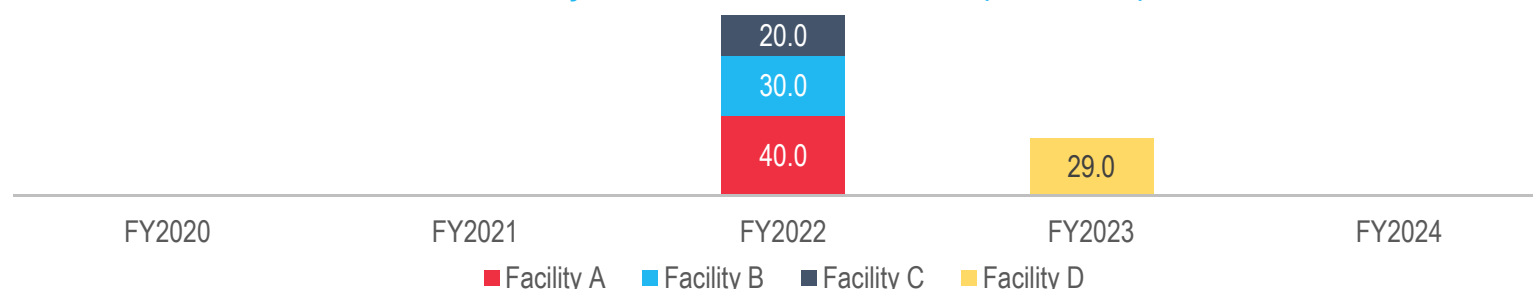
Debtor and Creditor Control

- Suppliers, particularly airlines and cruise companies, introduced unilateral changes to their refund policies including some businesses refusing to refund at all, imposing additional cancellation and refund charges, insisting on bookings being paid for in full when it was unlikely for the aircraft or cruise to depart before they would consider a refund (rather than just refunding the deposit) and significant delays (3 months) in receiving refunds.
- The Company is owed ~\$3.7 million by Virgin Australia in commission overrides and marketing contributions. At this stage, it is unclear what recovery may be realised. Helloworld has not experienced material debtor defaults. Debtor provisioning at 30 June 2020 is expected to increase from historical levels reflecting slower collections than achieved historically.
- Helloworld has a large number of material customer and supplier contracts. As at the date of this Presentation, the Company has no reason to believe that any individually significant contracts may be lost or not renewed at this time.

Liquidity

- Pro forma liquidity position of \$187.1 million at 30 June 2020 (unaudited) reflecting a ~\$50.0 million fully underwritten Equity Raising is expected to provide Helloworld with significant liquidity to withstand the prolonged disruption to global travel.
- Helloworld has revised its banking arrangements. Key outcomes include:
 - Our shorter dated facilities totalling \$17.9 million and \$29.0 million are now due to expire in Apr-22 and Sep-22 respectively, an extension of 12 months.
 - Renewed facility pricing remains unchanged.
 - Net leverage covenant waived between December 2020 and June 2021, and interest coverage covenant significantly relaxed. Liquidity covenant of \$35.0 million.
 - No dividends prior to December 2021 without bank consent.

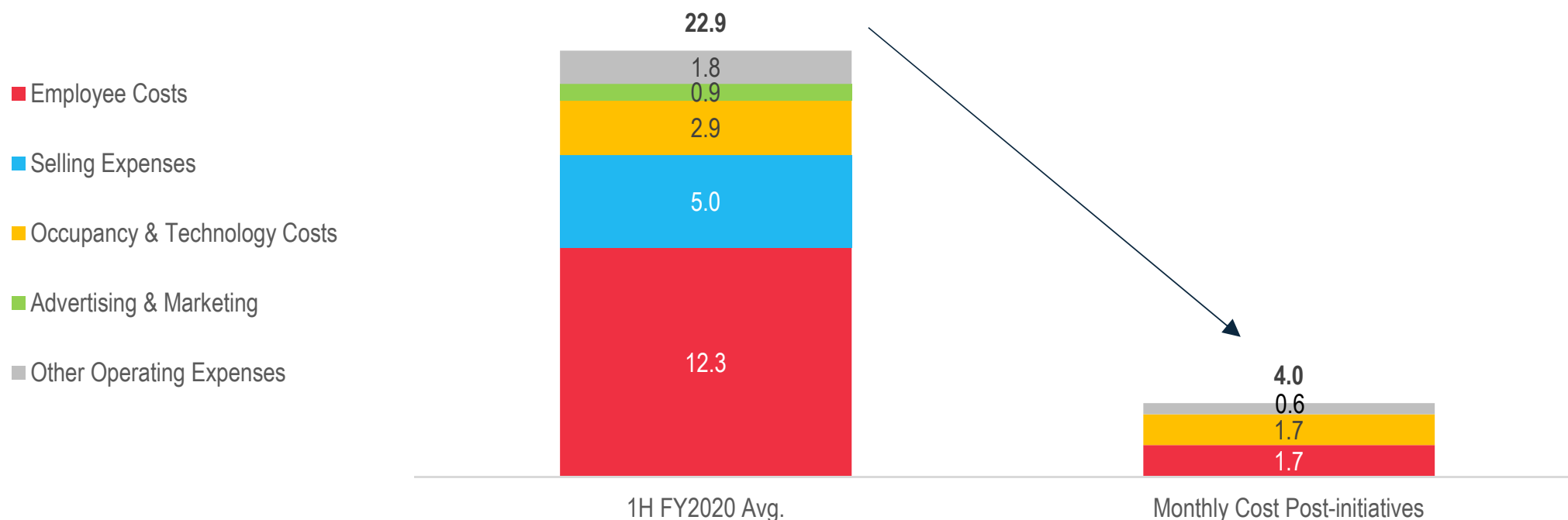
Debt Maturity Profile – Total Debt Facilities (A\$'millions)



Cost-out Initiatives

- Helloworld has implemented material cost savings initiatives, which have reduced monthly costs from ~\$22.9 million per month pre COVID-19 to ~\$4.0 million per month currently (including the benefits of Job Keeper and the New Zealand wage subsidy).
- Helloworld continues to generate income of ~\$2.0 million per month, mainly from transaction fees and commissions, which partially offsets the current cost run rate. Net monthly cash burn of ~\$2.0 million aligns to the update provided to the ASX on 1 May 2020.
- Several of these cost savings initiatives are expected to be retained when travel volumes return to pre COVID-19 levels.

Helloworld Average Monthly Operating Cost Base (A\$'millions)¹



Notes:

1. Monthly costs post initiatives are unaudited. Analysis excludes interest costs and taxation.

Outlook for Domestic Travel

- Domestic flight frequencies have increased significantly since late June and expected to continue to increase throughout the remainder of the year (despite current restrictions on VIC travellers).
- Domestic carriers will continue to ramp up their services Australia wide as travel restrictions ease.
- Continued increase in domestic Air and Land bookings off a low base, with focus to continue on domestic tourism opportunities to capture travel demand ahead of expected return to international travel in 2022.

Outlook for International Travel

- Current restrictions on Australians travelling overseas until 17 September 2020 with such restrictions expected to be extended beyond that.
- We believe that the post COVID-19 complexities of international travel will increase the importance of travel agents.
- Trans-Tasman travel currently expected to open up later in 2020, which we anticipate will result in a resumption of quarantine free travel between Australia and New Zealand and possibly one or two Pacific Island nations.
- Further bilateral “Bubbles” may subsequently open up in 2021 with a limited number of countries at first. We do not anticipate a return to significant air capacity and travel until Q1 or Q2 FY2022.

Helloworld positioned for Return to Travel

- Helloworld’s cost mitigation strategies and enhanced liquidity positions it to benefit from return to domestic and international travel over the following two years.
- Helloworld does not anticipate TTV returning to previous FY2019 levels until FY2023, consistent with IATA estimates regarding international air travel.

- Helloworld believes that it is well placed to capitalise on the disruption to the global travel industry by identifying, and having the financial flexibility, to continue to gain market share and drive sustainable cost efficiencies.
- As domestic and global travel returns, Helloworld believes that it will be well positioned to generate increased levels of TTV and EBITDA.

1

Market Share Gains

- Opportunity to increase market share in the bricks and mortar space, given planned reductions by competitors.
- Ongoing support being provided to our extensive network of retail agents to assist them in emerging from current disruption.
- Focus on domestic tourism opportunities to capture pent-up travel demand ahead of expected return to international travel.

2

New Market Opportunities

- Agency services in high demand for both leisure and corporate due to new complexities in international travel during the COVID-19 recovery phase.
- Possible requirement for travellers to have arrangements fully confirmed and recorded prior to departure.
- Cruise travel to recover with implementation of new well-being protocols and on-board health facilities.
- Increased demand for family travel as a result of extended lockdowns and increased family time.

3

Retention of Cost Synergies

- Cost saving initiatives implemented as a result of COVID-19 are expected to deliver long-term benefits.
- Ability to retain these cost initiatives leading to higher EBITDA / Revenue margins.
- As a result, Helloworld is expected to be well positioned to improve EBITDA margins once travel returns to normal levels.



SECTION 2:

Capital Structure and Liquidity

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16



Updated Liquidity Position

- Helloworld's liquidity position will be enhanced following completion of the Equity Raising with sufficient liquidity to provide for operating and capital expenditure through to the end of 2022 assuming ongoing disruption to the international travel markets.
- Cash continues to be collected from debtors. Helloworld has not experienced material debtor defaults, though some amounts are being collected slower than historical levels. Amounts owed by Virgin Australia will continue to be assessed for recoverability.
- Net working capital position remains robust, complemented by pro forma available liquidity and an extended debt maturity profile.
- Helloworld expects to report impairments of intangible assets and restructuring related provisions as a consequence of COVID-19.

Liquidity (A\$'millions)	30 June 2020 Estimate	1H FY 2020	FY2019	FY2018
Total Cash ¹	132.1	142.0	204.8	203.5
Drawn debt ²	(101.0)	(91.0)	(57.0)	(42.1)
Net Cash ³	31.1	51.0	147.8	161.4

Funding (A\$'millions)	30 June 2020 Estimate	1H FY 2020	FY2019	FY2018
Funding facility	119.0	120.0	90.0	60.0
Used facility ⁴	(112.5)	(104.1)	(69.0)	(52.2)
Unused facility	6.5	15.9	21.0	7.8

Liquidity Position (A\$'millions)	30 June 2020 Estimate
Total cash ¹	132.1
Plus: unused facility	6.5
Available liquidity	138.6
Plus: Net proceeds from Equity Raising ⁵	48.5
Pro forma available liquidity	187.1

Net working capital (A\$'millions)	30 June 2020 Estimate	1H FY20
Total cash ¹	132.1	142.0
Net of receivables, accrued income and payables ⁶	(58.9)	(59.4)
Net working capital including cash	73.2	82.6

Notes:

- 30 June 2020 figures are per unaudited management accounts.
- Includes client cash of ~\$60.0 million. Cash balances per general ledger. A dividend of \$11.2 million was paid on 19 March 2020.
- Drawn facilities of \$101.0 million at 30 June 2020 mature between April 2022 and September 2022.
- \$19.9 million reduction in net cash between 31 December 2019 and 30 June 2020 includes a dividend of \$11.2 million which was paid on 19 March 2020.
- Includes off balance sheet borrowings, comprised of Letters of Credit and Bank Guarantees.
- After deduction of \$1.5 million of transaction costs associated with this Equity Raising.
- Excludes general prepayments, loans to related parties, loans to the franchisee network, contingent consideration receivable and unearned income relating to GDS contracts which is not settled in cash. Employee entitlements, income tax liabilities and lease liabilities are also excluded. The estimate at 30 June 2020 includes \$3.7 million of receivables from Virgin Australia.

Pro forma Balance Sheet

A\$'millions	31 December 2019 ¹	March 2020 dividend ²	Impact of Equity Raising ³	31 December 2019 Pro forma
Assets				
Cash	142.0	(11.2)	48.5	179.3
Receivables and accrued revenue	176.1	-	-	176.1
Other current assets	0.5	-	-	0.5
Total Current Assets	318.6	(11.2)	48.5	355.9
Other non-current assets	432.2	-	0.5	432.7
Total Assets	750.8	(11.2)	49.0	788.6
Trade and other payables	175.3	-	-	175.3
Deferred revenue	62.2	-	-	62.2
Lease liabilities, current and non-current	27.7	-	-	27.7
Deferred tax liability	47.3	-	-	47.3
Other current and non-current liabilities	25.6	-	-	25.6
Non-current borrowings, net of capitalised borrowing costs	90.4	-	-	90.4
Total Liabilities	428.5	-	-	428.5
Net assets	322.3	(11.2)	49.0	360.1
Equity				
Share capital and reserves	419.6	-	49.0	468.6
Accumulated losses	(99.1)	(11.2)	-	(110.3)
Non-controlling interests	1.7	-	-	1.7
Total Equity	322.3	(11.2)	49.0	360.1

Notes:

1. Extracted from the 31 December 2019 half year accounts which were subject to review by Helloworld's auditor.
2. On 24 February 2020, the Group declared a 9.0 cents per share fully franked dividend. The dividend was paid on 19 March 2020.
3. \$50.0 million Equity Raising, transaction costs of \$1.5 million with \$0.5 million Deferred Tax Asset.



SECTION 3: Details of the Offer

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19



46

Details of the Offer

Offer Structure	<ul style="list-style-type: none"> ▪ ~\$50.0 million fully underwritten Equity Raising comprising a: <ul style="list-style-type: none"> - ~\$27.1 million institutional placement. - ~\$22.9 million 1 for 9 accelerated pro rata non-renounceable entitlement offer, consisting of: <ul style="list-style-type: none"> - the Institutional Entitlement Offer expected to raise ~\$17.5 million; and - the Retail Entitlement Offer¹ expected to raise ~\$5.4 million. ▪ ~30.3 million New Shares to be issued under the Equity Raising representing ~24.3% of existing Helloworld ordinary shares on issue.
Offer Price	<ul style="list-style-type: none"> ▪ All New Shares issued under the Placement and Entitlement Offer will be issued at a fixed price of \$1.65 per New Share (Offer Price). ▪ The Offer Price represents: <ul style="list-style-type: none"> - 16.0% discount to the last traded price of \$1.965 on 15 July 2020; and - 13.3% discount to TERP² of \$1.903.
Institutional Entitlement Offer and Placement	<ul style="list-style-type: none"> ▪ The Placement and Institutional Entitlement Offer will be conducted by way of a bookbuild process on Thursday, 16 July 2020. ▪ Entitlements under the Institutional Entitlement Offer that are not taken up and entitlements of ineligible institutional shareholders and ineligible retail shareholders under the Entitlement Offer will be offered for sale in the bookbuild.
Retail Entitlement Offer	<ul style="list-style-type: none"> ▪ The Retail Entitlement Offer will open on Thursday, 23 July 2020 and close on Monday, 3 August 2020. ▪ Eligible retail shareholders who take up their entitlement in full under the Retail Entitlement Offer can also apply for additional New Shares in excess of their entitlement up to a maximum of 100% of their entitlement under a 'top up' facility.
Ranking	<ul style="list-style-type: none"> ▪ New Shares issued under the Equity Raising will rank equally in all respects with Helloworld's existing ordinary shares (Shares).

Notes:

1. The Retail Entitlement Offer is only available to eligible retail shareholders of Helloworld with a registered address on the Company's share register in Australia or New Zealand on the Record Date – see the Retail Offer Booklet for further details on eligibility once available.
2. Theoretical ex-rights price (**TERP**) includes the New Shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade on ASX immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of Helloworld's Shares as traded on ASX on 15 July 2020, being the last trading day prior to the announcement of the Offer.

Details of the Offer

Record Date	<ul style="list-style-type: none"> Entitlement Offer is open to certain eligible existing Helloworld shareholders on the register as at 7.00pm (Melbourne, Australia time) on the Record Date of Monday, 20 July 2020.
Major Shareholder Participation	<ul style="list-style-type: none"> Entities associated with Andrew Burnes (CEO) and Cinzia Burnes (Executive Director) have indicated their intention to subscribe for \$5.0 million of New Shares under the Entitlement Offer in aggregate which represents ~70% of their pro rata entitlement. Entities associated with Spiros Alysandratos and Irene Alysandratos have indicated they will consider their participation upon receipt of the Offer documentation. Q H Tours Limited (an entity associated with Qantas Airways Limited) has indicated that it will not be participating in the Offer. As a result, Q H Tours Limited's shareholding in Helloworld is expected to be diluted from ~15.4% to ~12.4% at completion of the Offer.
Underwriting	<ul style="list-style-type: none"> The Offer is fully underwritten by Ord Minnett Limited.
Use of Funds	<ul style="list-style-type: none"> Proceeds of the Offer will be used to increase Helloworld's balance sheet flexibility and provide liquidity to manage the business through a prolonged period of disruption to the global travel industry.

Sources of Funds	(A\$'millions)
Institutional Placement	27.1
Entitlement Offer	22.9
Total Source of Funds	50.0

Uses of Funds	(A\$'millions)
Working Capital	48.5
Offer Costs	1.5
Total Use of Funds	50.0

Offer Timetable

Event	Date
Equity Raising announcement and Placement and Institutional Entitlement Offer opens	Thursday, 16 July 2020
Placement and Institutional Entitlement Offer closes	Thursday, 16 July 2020
Trading in Helloworld shares resumes on an ex-entitlement basis	Friday, 17 July 2020
Record date for determining entitlement for the Entitlement Offer	7:00pm, Monday, 20 July 2020
Despatch of Retail Offer Booklet and Retail Entitlement Offer opens	Thursday, 23 July 2020
Settlement of Placement and Institutional Entitlement Offer	Friday, 24 July 2020
Allotment of New Shares issued under the Placement and Institutional Entitlement Offer	Monday, 27 July 2020
Normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Tuesday, 28 July 2020
Retail Entitlement Offer closing date	5:00pm, Monday, 3 August 2020
Settlement of Retail Entitlement Offer	Friday, 7 August 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 10 August 2020
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 11 August 2020
Despatch of holding statements	Wednesday, 12 August 2020

Note: All dates and times are indicative and Helloworld reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Melbourne, Australia time.



APPENDIX A: Key Risks

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23



50

Introduction

This section describes the key business risks of investing in Helloworld together with the risks relating to participation in the Offer which may affect the value of Helloworld shares and its ability to operate as a going concern. It does not describe all the risks of an investment. Before investing in Helloworld, you should be aware that an investment in Helloworld has a number of risks, some of which are specific to Helloworld and some of which relate to listed securities generally, and many of which are beyond the control of Helloworld.

Investors should consult their own professional, financial, legal and tax advisers about those risks and the suitability of investing in light of their particular circumstances. Investors should also consider publicly available information on Helloworld (including information available on the ASX website) before making an investment decision.

The risks are categorised as follows:

1. Key business risks
2. Offer and general risks

References to “Helloworld” or “the Group” in the key risks section of this Presentation include Helloworld and its related bodies corporate (as defined in the Corporations Act 2001 (Cth)), where the context requires.

1. Key Business Risks

1.1 Travel industry disruption and the impact of COVID-19

Helloworld’s operating and financial performance is dependent on the health of the travel industry generally. A decline in the domestic and/or international travel industry, whether as a result of a particular event (such as a war, terrorist attack, outbreak of disease epidemic/pandemic or a natural disaster, such as earthquakes and volcanic ash clouds), economic conditions (such as a decrease in consumer and business demand), or any other factors would have a material adverse effect on Helloworld’s operating and financial performance.

The events relating to COVID-19 have recently resulted in unprecedented restrictions on domestic and international travel, major reductions in airline capacity and general disruption to the tourism industry. These restrictions have been imposed by domestic and international governments and regulatory authorities, and/or implemented as a matter of best practice during a health crisis. These developments have resulted in a decline in international and domestic travel and tourism services (including hotels, accommodation and tourism activities) and an increase in travel cancellation rates, which has had a very significant short term impact and is expected to have a very significant medium term impact on Helloworld’s business and operations and in particular, the demand for its services. There is continued uncertainty as to the duration of and further impact of COVID-19 including (but not limited to) in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, travel restrictions and the impact on the Australian and global economy. There is a risk that if the spread of COVID-19 continues, and/or the actions taken to combat COVID-19 persist, Helloworld’s operational and financial performance could deteriorate further. There is no certainty that demand for Helloworld’s services will normalise to a level existing prior to the impact of COVID-19 (or how long such normalisation could take), even once the domestic and international travel restrictions are lifted.

1.2 General economic conditions

Helloworld's operating and financial performance is influenced by a variety of general economic and business conditions in Australia and overseas. A prolonged deterioration in general economic conditions, including a decrease in consumer and business demand, would likely have a material adverse effect on Helloworld's business or financial condition (or both). This risk is heightened in the current uncertain economic environment.

In light of recent Australian and Global macroeconomic events, including but not limited to the global impact of COVID-19, it is likely that Australia will experience an economic downturn of uncertain severity and duration which would affect discretionary spending on travel and leisure and the operating and financial performance of the Group.

Furthermore, the containment measures implemented in response to COVID-19 are expected to result in significant and prolonged dislocation to economies globally. It is anticipated that many of the markets in which Helloworld operates will have economic downturns of uncertain severity and duration, which could affect (a) the desire of people to travel in those markets; and (b) spending on travel and leisure in those markets, which would in turn impact on the operating and financial performance of the Group.

There are also other changes in the macroeconomic environment which are also beyond the control of Helloworld and may be exacerbated in an economic recession or downturn. These include, but are not limited to:

- changes in inflation, interest rates and foreign currency exchange rates;
- changes in employment levels and labour costs, which will affect the cost structure of the Group;
- changes in aggregate investment and economic output; and
- other changes in economic conditions which may affect the revenue or costs of the Group.

Due to the impact of COVID-19, many of these factors are in a state of change, and may have an adverse impact on the financial position and prospects of the Group in the future. If market conditions continue to deteriorate, Helloworld may need to take additional measures in order to respond and there is a risk of future impairment of the carrying value of Helloworld's assets.

1.3 Supplier risk

Helloworld's business activities and financial performance are reliant on suitable contractual arrangements being negotiated with major airlines, global distribution system providers, and other suppliers of goods and services. Helloworld's supply chain consists of a complex series of travel providers and intermediaries. There are a variety of credit risks inherent in this supply chain which are particularly heightened in the current economic environment. A dispute, or a breakdown in the relationship, between Helloworld and its suppliers, a failure to reach a suitable arrangement with a particular supplier, or the failure of a supplier to pay or otherwise satisfy its contractual obligations (including as a result of insolvency, financial stress or the impacts of COVID-19), could have an adverse effect on the reputation and/or the financial performance of Helloworld. The recent Australian and Global macroeconomic events described in paragraph 1.2 may also have an adverse impact on the financial position of the Group's suppliers, which may impact their ability to carry on business with Helloworld.

1.3 Supplier risk (Cont'd)

To the extent suppliers, partners or counterparties (such as international airlines, whose operations have been completely or substantially suspended) are facing financial stress, they may seek to change the terms upon which they engage with, cease or significantly reduce engagement with Helloworld (including through the reduced supply of inventory), or in extreme cases, may not pay their debts as and when they fall due. Such circumstances may impact upon the operations and financial performance of Helloworld.

1.4 Customer risk

Recent developments in international and domestic travel restrictions as a result of COVID-19 have resulted in a significant disruption to customer bookings and travel plans. As a result of the unprecedented travel restrictions, Helloworld has experienced a significant increase in the number of customer requests for travel cancellations and refunds. The high volume of cancellation and refund requests during the COVID-19 crisis has placed significant burden on the Group's personnel in responding to and processing customer requests for travel credits and refunds. Delays in repayments by suppliers may have an adverse impact on Helloworld's operational and financial performance. Customers may also seek a chargeback (or reversal) for certain types of card purchases. Any such actions may place a burden on the Group's resources which may have an adverse impact on Helloworld's operational and financial performance. See also paragraph 1.5 regarding the risks associated with Helloworld's working capital requirements.

Uncertainty in relation to the future of the travel industry may also have detrimental effect on the confidence of customers in the ability of the Group to recover from this disruption to the industry and continue to operate in future. See also paragraph 1.10 regarding regulatory risk, paragraph 1.23 regarding litigation risk, and paragraph 1.19 regarding diminution of customer satisfaction and loyalty.

1.5 Working capital requirements

Helloworld's business model includes payment terms relating to the pre-payment by customers for travel and tourism related services and the maintenance of corporate credit balances, and related payment terms between Helloworld and its suppliers. To the extent these terms of payment and supply change, customers seek refunds (particularly in the current environment), receivables are uncollectable fully or partly, contract assets on balance sheet are unrecoverable or counterparties do not act consistently with supply terms, Helloworld may need to obtain additional working capital financing. In addition, transactional banking facilities, including credit card processing facilities, operated by Helloworld may be withdrawn by the banks or other providers, or the terms and conditions of those facilities may be materially amended, which may have an adverse impact on Helloworld's operational and financial performance. Helloworld's working capital position may be impacted to the extent the current economic environment increases the risk of counterparties not complying with their obligations. To the extent that there is a continued decline in sales as a result of COVID-19 and ongoing expenses associated with operating the business would place pressure on Helloworld's liquidity. In the event that Helloworld did not have sufficient liquidity to manage its working capital cycle, Helloworld would not be able to continue operating its business in the ordinary course. See also slide 5 regarding going concern basis of preparation of financial information included in this Presentation.

Slide 12 of this Presentation sets out an illustrative liquidity buffer based on a combination of Helloworld's initiatives, including the equity injection contemplated under the Offer, extension of Helloworld's debt facilities, headroom and estimates of Helloworld's working capital position. While Helloworld has provided the illustrative liquidity position using all information currently available to it, there can be no assurance that this illustration will capture or predict all of the actions which may be taken by customers, suppliers and debtors of the Group that impact its working capital requirements.

1.6 Cost reduction

The cost reduction initiatives outlined in this Presentation have been based on cost-saving initiatives already undertaken by Helloworld, together with a number of assumptions made with respect to Helloworld's ability to achieve these cost-saving targets, one-off-costs associated with realisation of those cost savings and legal advice in respect to Helloworld's rights with respect to its employees, landlords, customers and suppliers. Inability to meet these cost-saving targets may impact upon Helloworld's operations and financial performance. There is a risk that these assumptions are not correct, such that the cost-saving initiatives are not as effective as currently anticipated by management, or the one-off costs required to implement these cost reduction initiatives are larger than anticipated.

Slides 11–13 of this Presentation set out significant cash preservation actions to be implemented by Helloworld and illustrate the projected impact of those actions on Helloworld's operating cost base. These actions include changes to the employee cost base, operating and capital expenditure plans.

This Presentation sets out initiatives contemplated at launch of the Offer, however Helloworld may require further initiatives in the case of an extended downturn. Helloworld anticipates that further wage relief will be made available in Australia and New Zealand and will form part of our ongoing workforce strategy. Any such relief may mitigate one-off costs associated with these cost reduction initiatives. Given the dynamic nature of the current environment, there can be no assurance that these initiatives and other cost-out efforts can or will be achieved as or to the extent envisaged by Helloworld.

1.7 Financing risk

The Group has obtained waivers of its leverage covenant between December 2020 and June 2021. In addition, the Group's interest coverage covenant has been relaxed between December 2020 and March 2021. Helloworld will be subject to an additional covenant on its level of liquidity. In event that covenants are breached, financiers may require that their loans be repaid immediately, which may have a material adverse effect on Helloworld's future financial performance and position.

1.8 Human resources risk

Helloworld is dependent upon the experience of its Directors, key senior management and staff generally. The loss of any key personnel (i.e. by death, total or permanent disablement or resignation), as well as high staff turnover could cause disruption to the conduct of Helloworld's business in the short term and negatively affect Helloworld's operating and financial performance.

The cost reduction initiatives being undertaken as outlined in this Presentation could also cause significant disruption to operations and impact on Helloworld's ability to retain high quality staff, operate its business in the ordinary course, effectively manage operational risks and/or take advantage of a recovery in the sector when the travel restrictions cease. In addition, while the actions taken by Helloworld to preserve cash and Helloworld's survival are believed by the Directors to have been appropriate and consistent with those taken across the industry, the area of labour relations can be subject to dispute and possible legal and industrial relations challenge.

In addition, any outbreak of COVID-19 within Helloworld's workforce could have an adverse effect on the operating and financial performance of the Group.

1.8 Human resources risk (Cont'd)

Complexities in the application of award and minimum conditions payments (including wages and overtime) during COVID-19 disruption also raises risks for the Group as with a large number of employers in Australia and overseas. While the Group has processes in place to ensure compliance with applicable labour laws, the overlap of workplace agreements, awards and industrial relations rules can give rise to risks of breaches having occurred in the countries in which the Group operates.

1.9 Growth strategy execution and business model disruption

The disruption to the Australian and global economy, and specifically the travel and tourism sectors is likely to impact upon Helloworld's ability to drive its growth agenda in the short and medium term. The financial performance of investments and the economic conditions they operate within may result in investment impairment should the recoverable amount of the investment fall below its carrying value.

1.10 Regulatory risk

Regulatory action against the Group under legislation and government policy may adversely affect the Group. For example, as a retailer of travel and travel-related products, the Group engages in extensive promotional and other advertising activities, conducts a foreign currency exchange business and processes its employees' and customers' personal information/data. Further, the Group's various cancellations and refunds policies and procedures may also expose it to regulatory scrutiny or action. Any media attention, regulatory scrutiny or other action taken against the Group members in any of the countries in which it operates may have adverse effects on the reputation of the Group or on its operating and financial performance. Similarly, a variation in law or regulation requiring Helloworld or any of its other businesses to hold or treat customer deposits differently to the way in which these are currently managed may have financial implications for the Group.

A variation in legislation and government policy may also affect the Group and the business environment in which it operates. Legislative changes could directly and indirectly alter consumer demand for and consumer attitudes towards international or domestic travel.

1.11 Climate change

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change. Physical risks resulting from climate change can be event driven or longer-term shifts in climate patterns and may have financial implications for Helloworld, such as indirect impacts from supply chain disruption and travel patterns and habits of customers.

There is uncertainty about how Helloworld's customers will respond to the effects of climate change (and therefore on possible changes in customer demand).

1.12 Business systems risk

Helloworld relies on the performance, reliability and availability of its information technology, communication and other business systems. Any damage to, or failure of, Helloworld's key systems may result in disruptions to Helloworld's business (especially its online services). Any failures of, or malicious attacks on, Helloworld's business systems or any compromise to the security of data (including any personal information / data) held by Helloworld may similarly impact both Helloworld's business and its reputation. Financial penalties for data breaches can be significant, which if levied on Helloworld could have an adverse effect on the reputation and the financial performance of Helloworld. The cost reduction initiatives being undertaken by Helloworld, as well as the disruption caused to operations as a result of COVID-19, may also affect its information technology, communications and other business systems.

1.13 Financial risk

Access to capital is a fundamental requirement to achieve Helloworld's business objectives and to meet its financial obligations when they fall due.

The inability to maintain a strong balance sheet or to secure new capital or credit facilities (from time to time) at market rates could impact upon Helloworld's operational and financial performance and the ability to meet its ongoing liquidity needs.

There is no guarantee that equity or debt funding will be available to Helloworld when an existing facility expires or is otherwise terminated (e.g. due to an event of default), or that Helloworld will be able to refinance that debt facility on reasonable terms.

As a borrower of capital, Helloworld is exposed to fluctuations in interest rates which may increase the cost of servicing Helloworld's debt.

Developments in global financial markets, such as the impact of COVID-19, may adversely affected the liquidity of global credit markets and Helloworld's access to those markets. This may have a material adverse effect on Helloworld's future financial performance and position.

1.14 Taxation risk

A change to the current taxation regime in Australia or overseas, including changes in interpretation or application of the law by courts or taxation authorities, may affect Helloworld or its shareholders. Tax liabilities are the responsibility of each individual shareholder.

1.15 Currency risk

Helloworld operates internationally and is exposed to foreign exchange risk arising from currency exposures on future cash flows. Helloworld actively measures these exposures and has measures in place to manage some of that exposure. However, notwithstanding those measures, the movement of foreign exchange rates could still have an adverse effect on Helloworld's operating and financial performance. See also paragraph 1.2 regarding the risks in relation to the current economic environment.

Helloworld consolidates results of overseas businesses into Group results and the performance of overseas businesses in Australian dollars when reported in Group financial statements may vary due to the movement of foreign exchange rates. This could have an adverse effect on Helloworld's financial performance.

1.15 Currency risk (Cont'd)

Furthermore, due to the nature of Helloworld as an international tourism business, changes to foreign exchange rates impact upon the underlying demand for travel and tourism services. The movement of foreign exchange rates are beyond Helloworld's control and could still have an adverse effect on Helloworld's operating and financial performance.

1.16 Investment risk

Helloworld invests funds it receives in the course of conducting its business. The value of those investments or the return on them may rise or fall as a result of circumstances beyond Helloworld's control, including general economic conditions in Australia or overseas. Risks associated with returns on investments are particularly acute during periods of elevated global financial market volatility, such as those experienced post the outbreak of the global COVID-19 pandemic. Helloworld only invests funds with selected counterparties, under a Board-approved Treasury Policy, but the risk of counterparty default is heightened during periods of global financial market volatility, which could lead to the loss of funds invested.

1.17 Insurance

Helloworld maintains insurance cover that is consistent with standard industry practice, including workers compensation, business interruption, property damage, public liability and product liability, cyber, directors and officers and professional indemnity insurance. However, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover all or any future claims.

1.18 Political, economic and social instability

Helloworld's operations are focussed in Australia, New Zealand and Fiji. Helloworld sells travel products across the globe. Any regional, political, economic or social instability (including as a result of COVID-19) could negatively impact sales or the payment for sales.

1.19 Diminution of customer satisfaction and loyalty

Helloworld's business model is dependant on customer satisfaction and loyalty. The operational and financial challenges associated with COVID-19, the associated impact on the travel and tourism industry and Helloworld's response to these challenges, could impact upon customer satisfaction and loyalty, the reputation of the Group and its ability to attract customers in future. A decline in customer satisfaction or loyalty may also materialise as a result of changing community expectations, activism in relation to particular travel destinations or activities which are booked through the Group, and in the event that the Group's employees fail to comply with approved customer service and pricing policies in relation to the pricing, terms and conditions offered to customers. Any diminution in customer satisfaction and customer loyalty or the Group's reputation may have an adverse impact on the operating and financial performance and position of Helloworld.

See also paragraphs 1.4 and 1.10 in relation to the risks associated with an increase in customer refunds.

1.20 Change in consumer preferences

Helloworld is exposed to changes within the specific travel markets in which Helloworld operates, whether as a result of changes in or to key markets, changes in product availability, as well as changes in consumer travel trends and sentiment towards travel in general. Consequently, a failure by Helloworld to predict or respond to any such changes could adversely impact Helloworld's future operating and financial performance.

1.21 Agent network closure

Helloworld's agent network has been an important part of its growth as a business throughout its corporate history. A significant reduction in the size of the agent network may negatively influence Helloworld's brand and ability to generate sales and sales growth in its retail division.

1.22 Accounting standards may change

Accounting standards may change. This may affect the reported earnings of Helloworld and its financial position from time to time. Helloworld has previously and will continue to assess and disclose, when known, the impact of adopting new accounting standards in its periodic financial reporting.

1.23 Risk of litigation, claims and disputes

The Group may be subject to litigation, class actions (including consumer / customer class actions, securities / shareholder class actions, and employee class actions), and other claims and disputes in the course of its business in each of the jurisdictions it operates, including employment disputes, contractual disputes, indemnity claims, consumer actions, claims for infringement by the Group of others' intellectual property rights, occupational and personal claims, regulatory enforcement actions (see also paragraphs 1.4 regarding customer risk, 1.8 regarding human resources risk and 1.10 regarding regulatory risks) and claims in relation to creative content. There are risks that a business operated by the Group or its employees might engage in conduct that is inconsistent with the Group's Code of Conduct, consumer, trade or other regulations that apply in its various jurisdictions, or agreements with its suppliers or customers. Any litigation, class actions, claims or disputes, including the costs of settling claims and operational impacts, could materially adversely affect the Group's business, operating and financial performance.

2. Offer and General Risks

2.1 Investment in equity capital and COVID-19

There are general risks associated with investments in equity capital. The trading price of Helloworld's ordinary shares on ASX may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price.

Generally applicable factors which may affect the market price of Helloworld's ordinary shares include:

- the impact of COVID-19, including on health of workforce, the industry, customers, supply chains and travel restrictions;
- general movements in Australian and international stock markets, including market volatility;
- investor sentiment and the risk of contagion;
- Australian and international economic conditions and outlook, including changes in interest rates, the rate of inflation, exchange rates, commodity prices, employment levels and consumer demand;
- changes in Australian and foreign government regulation and fiscal, monetary and regulatory policies;
- loss of key personnel and delays in replacement;
- announcement of new technologies;
- geo-political instability, including international hostilities, acts of terrorism, the response to COVID-19 and travel restrictions;
- natural disasters, extreme weather events and catastrophes, whether in global, regional or local scale;
- epidemics and pandemics such as COVID-19;
- operating results of the Group that may vary from expectations of securities analysts and investors;
- changes in market valuations of other travel companies; and
- future issues of Helloworld equity securities.

The share prices for many listed companies have in recent times been subject to wide fluctuations and volatility, which in many cases may reflect a diverse range of non-company specific influences referred to above. In particular, the events relating to COVID-19 have recently resulted in significant market falls and volatility both in Australia and overseas, including in the prices of securities trading on the ASX.

There is continued uncertainty as to the further impact of COVID-19 on the Australian economy and share markets including in relation to governmental action, work stoppages, university and school stoppages, lockdowns, quarantines, travel restrictions and the impact on the Australian economy and equity and debt capital markets. Any of these events and resulting fluctuations may materially adversely impact the market price of Helloworld's ordinary shares.

2.1 Investment in equity capital and COVID-19 (Cont'd)

It is also possible that new risks may emerge as a result of domestic or foreign markets experiencing extreme stress, or existing risks (including the impacts of COVID-19) may evolve in ways that are not currently foreseeable. The equity capital markets have in the past and may in the future be subject to significant volatility.

No assurances can be given that the New Shares will trade at or above the Offer Price. None of Helloworld, its Board, the Underwriter, or any other person guarantees the market performance of the New Shares.

2.2 Equity raising risk

Ord Minnett Limited (ABN 86 002 733 048) (**Ord Minnett** or the **Underwriter**) is acting as underwriter, lead manager and bookrunner to the Offer. Helloworld entered into an underwriting agreement with the Underwriter in respect of the Offer on 16 July 2020 (**Underwriting Agreement**).

2.3 Risks of dilution

Shareholders who do not participate in the Placement for a pro rata share, and/or do not take up all of their entitlements under the Entitlement Offer, will have their percentage security holding in Helloworld diluted. Investors may also have their investment diluted by future capital raisings by Helloworld. Helloworld may issue new securities in the future to finance acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest.



APPENDIX B:

Foreign Selling Restrictions

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34



61

Foreign Selling Restrictions

This document does not constitute an offer of new ordinary shares (**New Shares**) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

If you (or any person for whom you are acquiring the New Shares) are in Hong Kong, you represent and warrant that you (and any such person) are a "professional investor" as defined under the SFO.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Foreign Selling Restrictions

If you (or any person for whom you are acquiring the New Shares) are in Singapore, you represent and warrant that you (and any such person) (i) are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA, (ii) will acquire the New Shares in accordance with applicable provisions of the SFA, and (iii) acknowledge that the offer of the New Shares is subject to the restrictions (including selling restrictions) set out in the SFA.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.



APPENDIX C: Underwriting Agreement Summary

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37



64

Underwriting Agreement Summary



Ord Minnett Limited (**Ord Minnett**) is acting as sole lead manager and underwriter of the Placement and the Entitlement Offer. Helloworld has entered into an underwriting agreement with Ord Minnett (**Agreement**) pursuant to which Ord Minnett has agreed to fully underwrite the Placement and the Entitlement Offer on the terms and conditions of the Agreement. The Agreement contains representations and warranties and indemnities in favour of Ord Minnett.

Ord Minnett's obligations under the Agreement, including to manage and underwrite the Placement and the Entitlement Offer, are conditional on certain matters, including Helloworld delivering certain shortfall certificates, sign-offs and opinions. Further, if certain events occur, some of which are beyond the control of Helloworld, Ord Minnett may terminate the Agreement. Termination of the Agreement would have a materially adverse impact on the total amount of proceeds that could be raised under the Placement and the Entitlement Offer.

Ord Minnett may terminate its obligations under the Agreement if any of the following events occur prior to 11.00am on the settlement date for Retail Entitlement Offer by giving notice to Helloworld:

- (a) (**Listing**) Helloworld ceases to be admitted to the official list of ASX or its Shares are suspended from trading on, or cease to be quoted on ASX or it is announced by ASX or Helloworld that such an event will occur;
- (b) (**Insolvency**) Helloworld or a subsidiary which represents 5% or more of the consolidated assets or earnings of the Group (Material Subsidiary) is insolvent or there is an act or omission, or a circumstance arises, which is likely to result in Helloworld or a Material Subsidiary becoming insolvent;
- (c) (**Withdrawal**) Helloworld withdraws all or any part of the Offer;
- (d) (**Offer force majeure**) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any governmental agency, which makes it illegal for Ord Minnett to satisfy a material obligation of the Agreement;
- (e) (**Unable to issue**) Helloworld is unable to issue or prevented from issuing New Shares as contemplated by the Agreement by virtue of the ASX Listing Rules, applicable laws, a governmental agency or an order of a court of competent jurisdiction;
- (f) (**Conduct**) Helloworld or any of its directors or officers engages in any fraudulent conduct or activity in connection with the Offer;
- (g) (**Repayment of application moneys**) Any circumstance arises that results in Helloworld either repaying the money received from applicants or offering applicants an opportunity to withdraw their applications for Entitlement Offer Shares and be repaid their application moneys;
- (h) (**Regulatory action in relation to directors and senior executives**) (i) a director or the chief executive officer or chief financial officer of Helloworld is charged with an indictable offence or fraudulent conduct; (ii) any director of Helloworld is disqualified under the Corporations Act from managing a corporation; or (iii) any regulatory body commences any public action against Helloworld, or any director or the chief executive officer or chief financial officer of Helloworld, or publicly announces that it intends to take any such action;
- (i) (**Market fall**) the S&P/ASX 200 Index falls to a level which is 15% or more below the level of that index on the close of trading on the business day before the date on which the Offer is announced to ASX (Announcement Date) and closes at or below that level on: at least 2 consecutive business days during any time after the Announcement Date and on or before the business day immediately prior to settlement date for the Retail Entitlement Offer, or at the close of trading on the business day immediately prior to settlement date for the Institutional Entitlement Offer or the Retail Entitlement Offer;

Underwriting Agreement Summary

- (j) **(ASIC action)** ASIC: (i) applies for an order under Part 9.5 of the Corporations Act in relation to the Offer, the issue of New Shares or any document released to ASX in connection with the Offer or used, with Helloworld's approval, to market the Offer (Offer Documents); (ii) holds, or gives notice of intention to hold, a hearing, inquiry or investigation in relation to the Offer, the issue of New Shares or any Offer Document under the Corporations Act or the Australian Securities and Investments Commission Act 2001 (Cth) (ASIC Act); (iii) prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, Helloworld or any of its officers, employees or agents in relation to the Offer, the issue of New Shares or any Offer Document under the Corporations Act or ASIC Act, except in circumstances where the existence of the application, hearing, inquiry, investigation, prosecution or notice has not become public and it has been withdrawn by the date that is the earlier of: (i) the business day immediately preceding the date for settlement of the Institutional Entitlement Offer or the Retail Entitlement Offer (as applicable); or (ii) the date that is 3 business days after the application, hearing, inquiry, investigation, prosecution or notice is commenced or received;
- (k) **(Application)** there is an application to a governmental agency (including the Takeovers Panel) for an order, declaration (including of unacceptable circumstances) or other remedy in connection with the Offer (or any part of it), except in circumstances where the application has been withdrawn, discontinued or terminated by the date that is the earlier of: (i) the business day immediately preceding the date for settlement of the Institutional Entitlement Offer or the Retail Entitlement Offer (as applicable); or (ii) the date that is 3 business days after the application, hearing, inquiry, investigation, prosecution or notice is commenced or received;
- (l) **(Determination under section 708A or section 708AA)** ASIC makes a determination under subsection 708A(2) of the Corporations Act or subsection 708AA(3) of the Corporations Act;
- (m) **(Corrective statement)** Helloworld becomes required to give, or gives, in respect of a cleansing notice issued in connection with the Offer which is defective, a notice in accordance with subsection 708AA(12) of the Corporations Act or subsection 708A(9) of the Corporations Act, as the case may be, to correct that cleansing notice;
- (n) **(Authorisations)** any: (i) material licence, lease, permit, concession, tenement, authorisation or concession of the Group (Authorisation) is, or is likely to be, invalid, revoked or unenforceable, including as a result of the introduction of new legislation in the relevant jurisdiction; or (ii) Authorisation is breached or not complied with in a material respect;
- (o) **(Certificate)** a certificate which is required to be furnished by Helloworld under the Agreement is not furnished when required or is untrue, incorrect or misleading or deceptive in any material respect (including by omission);
- (p) **(ASX approval)** unconditional approval (or conditional approval, provided such condition would not have a material adverse effect on the success or settlement of the Offer) by ASX for official quotation of the New Shares is refused or is not granted by the time required to issue the relevant New Shares in accordance with the timetable for the Offer or, if granted, is modified (in a manner which would have a material adverse effect on the success or settlement of the Offer) or withdrawn;
- (q) **(Timetable)** there is a delay in the timetable for the Offer except where such delay is permitted by the Agreement;
- (r) ***(Breach)** Helloworld fails to perform or observe any of its obligations under the Agreement;
- (s) ***(Compliance)** Helloworld commits a breach of the Corporations Act, ASX Listing Rules, its constitution or other applicable laws;
- (t) ***(Due Diligence)** Any of the documents required to be provided under the due diligence planning memorandum adopted as part of the due diligence process for the Offer, having been withdrawn, or varied without the prior written consent of Ord Minnett;

Underwriting Agreement Summary

- (u) ***(Information)** the due diligence report prepared in connection with the Offer or the information provided by, or on behalf of, Helloworld to Ord Minnett in relation to the due diligence process undertaken for the Offer, the Offer Documents or the Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission);
- (v) ***(Representations and warranties)** a representation or warranty made or given by Helloworld under the Agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- (w) ***(Legal proceedings)** legal proceedings against Helloworld, any other member of the Group or against any director of Helloworld or a member of the Group in that capacity is commenced or any regulatory body commences any enquiry or public action against a member of the Group;
- (x) ***(Capital structure)** There is an alteration to Helloworld's capital structure without the prior consent of Ord Minnett or as otherwise provided in this agreement;
- (y) ***(Conduct)** Helloworld or any of its directors or officers engages in misleading or deceptive conduct or activity in connection with the Offer;
- (z) ***(Change in management)** there is a change (or a change is announced) in the chief executive officer, chief financial officer or chairman of Helloworld, other than one which has already been disclosed to the market or disclosed to Ord Minnett before the date of the Agreement;
- (aa) ***(New circumstance)** a new circumstance arises which is a matter adverse to investors in New Shares and which would have been required by the Corporations Act to be included in the cleansing notice released by Helloworld in connection with the Offer had the circumstance arisen before such notice was given to ASX;
- (bb) ***(Adverse change)** there is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of Helloworld or the Group (in so far as the position in relation to any entity in the Group affects the overall position of Helloworld);
- (cc) ***(Future matters)** any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in an Offer Document is or becomes incapable of being met or, in the reasonable opinion of Ord Minnett, unlikely to be met in the projected timeframe;
- (dd) ***(Offer Documents misleading)** any: (i) statement in an Offer Document is or becomes false, misleading or deceptive or likely to mislead or deceive; or (ii) Offer Document does not contain all information required to comply with all applicable laws;
- (ee) ***(Offer Documents issued or varied without approval)** Helloworld: (i) issues an Offer Document without the prior approval of Ord Minnett (such approval not to be unreasonably withheld); or (ii) varies an existing Offer Document in any material respect without the prior approval of Ord Minnett (such approval not to be unreasonably withheld);
- (ff) ***(Change in law)** There is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or prospective law or any new regulation is made under any law, or a Governmental Agency or the Reserve Bank of Australia adopts a policy, or there is an official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a governmental agency that such a law or regulation will be introduced or policy adopted (as the case may be) (other than a law or policy that has been announced before the date of this agreement), any of which does or is likely to prohibit or regulate the Offer or adversely affects the Group;

Underwriting Agreement Summary

- (gg) ***(Disruption in financial markets)** Any of the following occurs: (i) a general moratorium on commercial banking activities in Australia, New Zealand, the United States, Japan, Singapore, the United Kingdom, a member state of the European Union or Hong Kong is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or (ii) trading in all securities quoted or listed on the ASX, the London Stock Exchange, the New York Stock Exchange, the Shanghai Stock Exchange, Euronext, the SGX, the Hong Kong Stock Exchange, the Shanghai Stock Exchange or the Tokyo Stock Exchange is suspended or limited in a material respect; or (iii) the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, New Zealand, the United States, Japan, Singapore, the United Kingdom, a member state of the European Union or Hong Kong or any change or development involving such a prospective adverse change in any of those conditions or markets;
- (hh) ***(Hostilities)** Major hostilities not existing at the date of the Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, Japan, Singapore, the United Kingdom, a member state of the European Union or the People's Republic of China (including Hong Kong) or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world; and
- (ii) ***(Prescribed occurrence)** an event specified in paragraphs (a) to (h) of section 652C(1) of the Corporations Act (as if references to 'the target' were replaced by references to 'Helloworld') occurs in respect of Helloworld occurs during the Offer period, other than: (i) as contemplated by the Agreement or pursuant to the Offer; (ii) in a manner described in, among other documents, the ASX announcement for the Offer, this Presentation or other document lodged with ASX on or before the date of the Agreement; (iii) Helloworld issuing securities pursuant to: (A) the exercise or conversion of any security on issue as at the date of the Agreement; (B) any employee incentive scheme in operation as at the date of the Agreement; or (C) any distribution reinvestment plan; or (iv) as permitted in writing by Ord Minnett.

No event listed with an (*) in this slide or the immediately preceding slides entitles Ord Minnett to exercise its termination rights unless Ord Minnett reasonably believes and does believe that the event: (i) has had, or is likely to have, a material adverse effect on: (A) the success or outcome of the Offer; (B) the willingness of investors to subscribe for New Shares; or (C) the ability of Ord Minnett to market, promote or effect settlement of, the Offer; or (ii) has given or could reasonably be expected to give rise to a contravention by, or a liability of, Ord Minnett under any applicable law or regulation.

If Ord Minnett terminates its obligations under the Agreement, Ord Minnett will not be obliged to perform any of its obligations that remain to be performed.



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42



69



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Melbourne, 17 July 2020

ASX ANNOUNCEMENT

Helloworld successfully completes institutional placement and institutional component of its 1 for 9 fully underwritten pro rata accelerated non-renounceable entitlement offer

Helloworld Travel Limited (ASX: HLO) (**HLO**) is pleased to announce the successful completion of the institutional placement (**Placement**) and the institutional component (**Institutional Entitlement Offer**) of its 1 for 9 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer** and, together with the Placement, the **Offer**) of new fully paid ordinary shares in HLO (**New Shares**), details of which were announced to the ASX on Thursday, 16 July 2020.

The Placement and Institutional Entitlement Offer (together, the **Institutional Offer**) closed on Thursday, 16 July 2020. The Institutional Offer had strong support from institutional investors, with a take-up rate from eligible institutional investors of approximately 97% under the Institutional Entitlement Offer¹.

The Institutional Offer raised gross proceeds of approximately \$41.6 million at an offer price of \$1.65 per New Share, consisting of approximately \$27.1 million under the Placement and approximately \$14.5 million under the Institutional Entitlement Offer. The Placement attracted strong demand with several new institutional investors introduced to the Helloworld register.

No shareholder approval is required in connection with the issue of New Shares under the Institutional Offer.

New Shares subscribed for under the Institutional Offer are expected to be settled on Friday, 24 July 2020 and to be issued and commence trading on ASX on Monday, 27 July 2020. New Shares issued under the Institutional Offer will rank equally with existing fully paid ordinary shares in HLO as at their date of issue.

As announced to the ASX on Thursday, 16 July 2020, the Offer is fully underwritten by Ord Minnett Limited and is expected to raise approximately \$50.0 million comprising the Institutional Offer of approximately \$41.6 million and Retail Entitlement Offer of approximately \$8.4 million.

HLO expects ASX to lift its trading halt and for HLO's ordinary shares to recommence trading on ASX on an ex-entitlements basis from market open today.

¹ Excluding participation from entities associated with Andrew Burnes (CEO and Managing Director) and Cinzia Burnes (Executive Director), entities associated with Spiros Alysandratos and Irene Alysandratos and QH Tours Limited (an entity associated with Qantas Airways Limited).

Retail Entitlement Offer

The retail component of the fully underwritten Entitlement Offer (**Retail Entitlement Offer**) is expected to open at 9.00am on Thursday, 23 July 2020 and close at 5.00pm (Melbourne, Australia time) on Monday, 3 August 2020. The despatch of the retail entitlement offer booklet for the Retail Entitlement Offer (**Booklet**) with personalised entitlement and acceptance forms for eligible retail shareholders is scheduled to occur on Thursday, 23 July 2020.

Eligible retail shareholders will be able to subscribe for 1 New Share for every 9 existing ordinary shares held in HLO as at 7.00pm (AEST) on the record date of Monday, 20 July 2020, at the same offer price of \$1.65 per New Share, being the same as the price paid per New Share by investors in the Institutional Offer.

Under the Retail Entitlement Offer, eligible retail shareholders who subscribe for their full entitlement to New Shares may also apply for additional New Shares (**Additional New Shares**) in excess of their entitlement. Allocations for Additional New Shares will be determined by HLO in its absolute discretion and any allotment of Additional New Shares is not guaranteed.

The terms and conditions under which eligible retail shareholders may apply for New Shares and Additional New Shares under the Retail Entitlement Offer are outlined in the Booklet. Copies of the Booklet will be available on the ASX website from Thursday, 23 July 2020 and on our website at <https://www.helloworldlimited.com.au/investors/>.

Helloworld's CEO and Managing Director, Andrew Burnes said:

"The fact the Placement attracted strong demand, with several new institutional investors introduced to the Helloworld register, demonstrates the market's positive view on the long-term viability of the travel industry and their confidence in Helloworld Travel's capacity to manage its way through the next 12-24 months as the world learns to cope with and eventually eliminate COVID-19."

"As previously announced, the proceeds from the equity raising will provide Helloworld with the balance sheet liquidity and flexibility to maintain its operating and capital expenditure well into 2022."

INVESTOR CONTACT:

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About Helloworld Travel Limited

- *Helloworld Travel Limited (ASX: HLO) is a leading Australian & New Zealand travel distribution company, comprising retail travel networks, corporate travel management services, destination management services (inbound), air ticket consolidation, wholesale travel services, and online operations.*

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This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold in the Institutional Offer and the Retail Entitlement Offer have not been, and will not be, registered under the United States Securities Act of 1933 (the "U.S. Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to persons in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

This presentation contains certain "forward-looking statements" including statements regarding HLO's intent, belief or current expectations with respect to HLO's business and operations, market conditions, results of operations, financial condition, and risk management practices. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements in this announcement include statements regarding the completion and timing of the Institutional Offer and the Retail Entitlement Offer. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

5 Additional information

5.1 Responsibility for this Retail Offer Booklet

This Retail Offer Booklet has been prepared by HLO. No party other than HLO has authorised or caused the issue of this Retail Offer Booklet, or takes any responsibility for, or makes or gives any statements, representations or undertakings in, this Retail Offer Booklet.

5.2 Date of this Retail Offer Booklet

This Retail Offer Booklet is dated 23 July 2020. Subject to the following paragraph, statements in this Retail Offer Booklet are made only as of the date of this Retail Offer Booklet unless otherwise stated and the information in this Retail Offer Booklet remains subject to change without notice. HLO is not responsible for updating this Retail Offer Booklet.

The ASX Announcement and Investor Presentation set out in Section 4 of this Retail Offer Booklet are current as at the date on which they were released. There may be additional announcements that are made by HLO (including after the date of this Retail Offer Booklet) that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by HLO before submitting an Application.

5.3 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only.

Eligible Retail Shareholders are Shareholders on the Record Date who:

- (a) are registered as a holder of Existing Shares;
- (b) have a registered address in Australia or New Zealand as noted on HLO's share register;
- (c) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States in respect of the relevant underlying holders of Existing Shares;
- (d) were not invited to participate in the Institutional Entitlement Offer and were not treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer (other than as a nominee or custodian, in each case in respect of other underlying holdings); and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

HLO has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand, but reserves its right to do so (subject to compliance with relevant laws).

5.4 Ranking of New Shares and Additional New Shares

The New Shares and Additional New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares with effect from their date of issue.

The rights attaching to the New Shares and Additional New Shares are set out in HLO's constitution and are regulated by the Corporations Act, Listing Rules and general law.

5.5 Issue, quotation and trading

HLO has applied for quotation of the New Shares and Additional New Shares on ASX in accordance with Listing Rule requirements. If ASX does not grant quotation of the New Shares and Additional New Shares, HLO will repay all Application Monies (without interest).

Subject to ASX approval being granted, it is expected that the New Shares and Additional New Shares issued under the Retail Entitlement Offer will commence trading on a normal basis on Tuesday, 11 August 2020. No interest will be paid on Application Monies, and any interest earned on Application Monies will be for the benefit of HLO and will be retained by HLO irrespective of whether New Shares and Additional New Shares are issued.

It is the responsibility of Applicants to determine the number of New Shares and Additional New Shares issued to them prior to trading in such Shares. The sale by an Applicant of New Shares and/or Additional New Shares (as the case may be) prior to receiving their holding statement is at the Applicant's own risk. HLO and the Underwriter disclaim all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares and/or Additional New Shares (as the case may be) before receiving their holding statements, whether on the basis of confirmation of the allocation provided by HLO or the Share Registry or otherwise.

5.6 Reconciliation

In any entitlement offer, investors may believe that they own more shares on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all eligible shareholders have the opportunity to receive their full entitlement.

HLO may need to issue a small quantity of additional New Shares and/or Additional New Shares (as the case may be) to ensure all eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares and/or Additional New Shares (as the case may be). The price at which these New Shares and/or Additional New Shares (as the case may be) would be issued, if required, is the same as the Offer Price.

HLO reserves the right to reduce the number of an Entitlement or New Shares and Additional New Shares allocated to eligible Shareholders or persons claiming to be eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees / custodians fail to provide information requested to substantiate their Entitlement claims, or if they are not eligible Shareholders.

5.7 Underwriting

The Entitlement Offer is fully underwritten by the Underwriter. Any New Shares and Additional New Shares (as the case may be) which are not subscribed for by Eligible Retail Shareholders pursuant to their Entitlement will form part of the Shortfall to be taken up by the Underwriter or sub-underwriters, on the terms and conditions of the Underwriting Agreement.

HLO and the Underwriter have entered into an Underwriting Agreement. Customary with these types of arrangements:

- (a) HLO and the Underwriter have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer;
- (b) HLO has agreed, subject to certain carve-outs, to indemnify the Underwriter, its affiliates and related bodies corporate, and their respective directors, officers, and employees (including the respective directors, officers and employees of its affiliates and related bodies corporate) against all claims, demands, damages, losses, costs, expenses and liabilities arising out of or in connection with the Entitlement Offer;
- (c) the Underwriter may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:
 - (i) HLO is removed from the official list of the ASX or its Shares are suspended from quotation;
 - (ii) there is a general moratorium on commercial banking activities in certain jurisdictions or a suspension or material limitation in trading in securities on certain securities exchanges;
 - (iii) there are certain delays in the timetable for the Placement or Entitlement Offer without the Underwriter's consent; or
 - (iv) in the reasonable opinion of the Underwriter, any of the offer documents (including this Retail Offer Booklet and all ASX announcements made in connection with the Entitlement Offer) is or becomes misleading or deceptive (including by omission) in any respect or likely to mislead or deceive in any respect, or the offer documents omit any information they are required to contain.

The Underwriter will be paid, in aggregate:

- (a) in respect of the Placement:
 - (i) an underwriting fee equal to 2.0% of the Placement Proceeds paid solely as consideration for underwriting any New Shares offered to, but not taken up by, Institutional Investors under the Placement; and
 - (ii) a management fee equal to 1.0% of the Placement Proceeds solely for lead managing the Placement and conducting the institutional bookbuild process for the Placement; and
- (b) in respect of the Institutional Entitlement Offer:
 - (i) an underwriting fee equal to 2.0% of the Institutional Entitlement Offer Proceeds paid solely as consideration for underwriting:
 - (I) any New Shares not taken up by Shareholders eligible to participate in the Institutional Entitlement Offer; and
 - (II) any New Shares which would have been offered to certain institutional Shareholders excluded from participating in the Institutional Entitlement Offer, had they been entitled to participate in the Institutional Entitlement Offer;

- (ii) a management fee equal to 1.0% of the Institutional Entitlement Offer Proceeds paid solely for lead managing the Institutional Entitlement Offer and conducting the institutional bookbuild process for Institutional Entitlement Offer; and
- (c) in respect of the Retail Entitlement Offer:
 - (i) an underwriting fee equal to 2.0% of the Retail Entitlement Offer Proceeds paid solely as consideration for underwriting:
 - (I) any New Shares not taken up by Shareholders eligible to participate in the Retail Entitlement Offer; and
 - (II) any New Shares which would have been offered to certain retail Shareholders excluded from participating in the Retail Entitlement Offer, had they been entitled to participate in the Retail Entitlement Offer;
 - (ii) a management fee equal to 1.0% of the Retail Entitlement Offer Proceeds paid solely for lead managing the Retail Entitlement Offer and conducting the Retail Entitlement Offer; and
- (d) at the sole discretion of the Company, as additional consideration for lead managing the Offer, an incentive fee of up to 0.5% of the proceeds received by the Company under the Offer within 5 Business Days after the Retail Settlement Date.

Neither the Underwriter nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents (collectively, the **'Underwriter Parties'**) have authorised or caused the issue or lodgement, submission, dispatch or provision of this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which is based on a statement made by an Underwriter Party. To the maximum extent permitted by law, each Underwriter Party expressly disclaims all liabilities in respect of, and makes no, representations regarding, and takes no responsibility for any part of this Retail Offer Booklet or any action taken by you on the basis of the information in this Retail Offer Booklet, and makes no representation or warranty as to the currency, accuracy, reliability or completeness of this Retail Offer Booklet. To the maximum extent permitted by law, the Underwriter Parties exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Retail Offer Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Underwriter Parties makes any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by any of the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally.

5.8 Continuous disclosure

HLO is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

HLO is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, HLO has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of HLO Shares. That information is available to the public from ASX and can be accessed at www.asx.com.au.

Some documents are required to be lodged with ASIC in relation to HLO. These documents may be obtained from, or inspected at, an ASIC office.

5.9 No cooling off rights

Cooling off rights do not apply to an investment in New Shares and Additional New Shares. You cannot withdraw your Application once it has been made or accepted.

5.10 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

5.11 Not financial product or investment advice

This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form is for information purposes only and is not a prospectus, disclosure document or other offering document under the Corporations Act or any other law and has not been lodged with ASIC. It is also not financial product or investment advice or a recommendation to acquire New Shares or Additional New Shares and has been prepared without taking into account your objectives, financial circumstances or particular needs. This Retail Offer Booklet should not be considered to be comprehensive and does not purport to contain all the information that you may require to make a decision about whether to submit your Entitlement and Acceptance Form and invest in New Shares and Additional New Shares.

Before making an investment decision, you should consider the appropriateness of the information in this Retail Offer Booklet having regard to your own objectives, financial situation and needs and seek legal and taxation advice appropriate to your jurisdiction. If you have any questions about whether you should participate in the Entitlement Offer, you should seek professional financial advice before making any investment decision. HLO is not licensed to provide financial product advice in respect of New Shares and Additional New Shares. No cooling off period applies to the acquisition of New Shares or Additional New Shares under the Offer.

5.12 Financial data

All dollar values are in Australian dollars (\$A).

All financial data is presented as at 31 December 2019 unless otherwise stated.

5.13 Ineligible Shareholders

All Shareholders who do not satisfy the criteria to be Eligible Retail Shareholders or Eligible Institutional Shareholders, are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer, unless HLO otherwise determines.

The restrictions upon eligibility to participate in the Entitlement Offer arise because HLO has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the relatively small number and value of New Shares and Additional New Shares (as the case may be) to which those Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located in relation to the Entitlement Offer.

HLO, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws.

HLO, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder, Eligible Institutional Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, HLO disclaims all liability in respect of such determination.

The price at which the Ineligible Entitlements will be sold is the Offer Price. Accordingly, Ineligible Shareholders will not receive any value as a result of the issue of any of those New Shares or Additional New Shares (as the case may be) they would have been entitled to subscribe for had they been eligible to participate in the Entitlement Offer.

6 Australian taxation consequences

Below is a general guide to the Australian income tax, goods and services tax (**GST**) and stamp duty implications of participation in the Retail Entitlement Offer for Eligible Retail Shareholders that hold their New Shares or Additional New Shares on capital account. In addition, the guide below applies only to Eligible Retail Shareholders who are Australian tax resident individuals, companies or complying superannuation entities. The guide does not apply to Eligible Retail Shareholders who:

- (a) hold Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading), or are subject to the Taxation of Financial Arrangements regime in Division 230 of the *Income Tax Assessment Act 1997* or the investment manager regime in Subdivision 842-I of the *Income Tax Assessment Act 1997*, or are exempt from Australian income tax;
- (b) acquired the Shares in respect of which their Entitlements are issued under any employee share scheme or where New Shares or Additional New Shares are acquired pursuant to any employee share scheme;
- (c) may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), non-complying superannuation funds (except where expressly stated) or temporary residents; or
- (d) are not tax residents of Australia or hold their shares through a permanent establishment outside of Australia.

The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. It does not purport to be a complete analysis of the potential tax consequences of participation in the Retail Entitlement Offer and is intended as a general guide to the Australian income tax, GST and stamp duty implications. Eligible Retail Shareholders should seek advice from an appropriate professional advisor in relation to the tax implications of the Retail Entitlement Offer based on their own individual circumstances.

The comments below are based on the Australian tax law as it applies as at 9.00am (Melbourne, Australia time) on 23 July 2020. Other than as expressly discussed or specified, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time. The comments also do not take into account tax legislation of any country other than Australia.

The Australian income tax, GST and stamp duty implications for New Shares as commented below, equally apply to Additional New Shares.

6.1 Issue of Entitlement

Subject to the qualifications noted above and assuming that the Eligible Retail Shareholder continues to hold their Shares until the issue of the Entitlement, the issue of the Entitlement should be non-assessable non-exempt income and should not, in itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder. This is on the basis that the Entitlement satisfies the requirements in section 59-40 of the *Income Tax Assessment Act 1997* (Cth).

6.2 Exercise of Entitlement

New Shares will be acquired where the Eligible Retail Shareholder exercises all or part of their Entitlement under the Retail Entitlement Offer.

An Eligible Retail Shareholder should not derive any assessable income, or make any capital gain or capital loss, at the time of exercising their Entitlement under the Retail Entitlement Offer.

For Australian capital gains tax (**CGT**) purposes, New Shares will be taken to have been acquired on the day that an Eligible Retail Shareholder exercises their Entitlement. The cost base of each New Share will be equal to the Offer Price payable for each New Share plus certain non-deductible incidental costs the Eligible Retail Shareholder incurs in acquiring, holding and disposing of the New Shares.

6.3 Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse and the Eligible Retail Shareholder will not receive any consideration for their Entitlement that is not taken up. There should be no tax implications for an Eligible Retail Shareholder from the lapse of the Entitlement and Eligible Retail Shareholders will not be entitled to any tax deductions or capital losses from the lapsed Entitlements.

6.4 Taxation in respect of dividends on New Shares

Any future dividends or other distributions made in respect of New Shares will be subject to the same income taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances. The dividends or distributions will generally be included in the assessable income of an Eligible Retail Shareholder in the income year in which the dividends or distributions are paid and subject to Australian income tax at the Eligible Retail Shareholder's marginal tax rate.

Where the Eligible Retail Shareholder is a 'qualified person' and the dividends are franked, the Eligible Retail Shareholder must include the franking credits attached to the dividends in its assessable income. Subject to being a 'qualified person', the Eligible Retail Shareholder should also be entitled to a franking tax offset equal to those franking credits, which reduces the tax payable on the Eligible Retail Shareholder's taxable income.

Where the franking tax offset exceeds the tax payable on the Eligible Retail Shareholder's taxable income and such Eligible Retail Shareholder is:

- an individual or complying superannuation entity – the Eligible Retail Shareholder should be entitled to a refund of the excess franking tax offsets;
- a corporate tax entity – the excess franking tax offsets may be carried forward to future income years as tax losses (provided certain loss utilisation tests are satisfied); or
- a trust – the treatment of the excess franking tax offsets will depend upon the identity of the person liable to tax on the trust's net income and the tax status of the trust.

Broadly, an Eligible Retail Shareholder is a 'qualified person' if the Eligible Shareholder:

- is an individual and would obtain total franking tax offsets of no more than A\$5,000 in the income year in which the dividend was paid; or

- holds the New Shares for a continuous period which includes at least 45 days 'at risk' during the period commencing the day after the Eligible Retail Shareholder acquires the New Shares and ending on the 45th day after the New Shares become ex-dividend (but excluding the day of any disposal).

The holding period rule generally only needs to be satisfied once for the New Shares and will apply in respect of the New Shares beginning on the day after the day on which the Eligible Retail Shareholder acquires the New Shares.

6.5 Disposal of New Shares

The disposal of New Shares will give rise to a CGT event for Eligible Retail Shareholders.

Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the Eligible Retail Shareholder's cost base or less than the Eligible Retail Shareholder's reduced cost base of the New Shares.

The cost base of those Shares is described above, but, for these purposes, the cost base should also include a reasonable apportionment of the non-deductible incidental costs on disposal and any interest paid in respect of borrowings used to acquire those Shares that was not otherwise deductible to the Eligible Retail Shareholder.

Eligible Retail Shareholders that are individuals, trusts or complying superannuation entities and that have held their New Shares for 12 months or more at the time of disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and trusts and 33⅓% for complying superannuation entities.

Eligible Retail Shareholders will be taken to have acquired New Shares on the day they exercise their Entitlement under the Retail Entitlement Offer. Accordingly, to be eligible for the CGT discount, there must be at least 12 months from the date that Eligible Retail Shareholders exercised their Entitlement until the CGT event occurs. A CGT event will occur at the earlier of the entry into a contract for the sale of the New Shares or disposal of the New Shares.

Any current year or carry forward capital losses of the Eligible Retail Shareholder can only be applied to offset the capital gain prior to the application of any applicable CGT discount.

In relation to trusts, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries, subject to certain requirements being satisfied. Eligible Retail Shareholders which are trusts should seek specific advice as to the circumstances in which a beneficiary may be entitled to a CGT discount.

Eligible Retail Shareholders that make a capital loss can only use that loss to offset other capital gains from other sources i.e. the capital loss cannot be used against taxable income on revenue account. However, if the capital loss cannot be used in a particular income year, it can be carried forward to use in future income years, provided certain loss utilisation tests are satisfied. The tax loss utilisation tests do not apply to capital losses of trusts.

6.6 Taxation of a return of capital by HLO without a cancellation of the New Shares

Where a return of capital is made by HLO, the cost base and reduced cost base of the Eligible Retail Shareholder's New Shares for CGT purposes will be reduced by the amount of the return of capital. To the extent that the cost base of the New Shares is reduced to below zero, any excess should trigger a capital gain.

The amount returned may also include a dividend component, or be deemed under taxation law to include a dividend component. The taxation implications of this dividend component should be the same as set out above under the 'Taxation in respect of dividends on New Shares' subheading.

6.7 Tax file numbers and withholding

An Eligible Retail Shareholder is not required to quote their tax file number (**TFN**) or their Australian Business Number (**ABN**) to HLO. However, if a TFN, an ABN or exemption details are not provided, Australian tax may be required to be deducted by HLO at the maximum marginal tax rate for individuals plus the Medicare levy from certain dividends paid.

No withholding requirement applies in respect of fully franked dividends paid by HLO on the New Shares.

6.8 GST and stamp duty

No Australian GST or stamp duty should be payable in respect of the issue, exercise or lapse of Entitlements or the acquisition of New Shares pursuant to the Retail Entitlement Offer.

Subject to certain requirements, there may be a restriction on the entitlement of Eligible Retail Shareholders to claim an input tax credit for any GST incurred on costs associated with the acquisition of New Shares (such as brokerage or advisor fees).

No stamp duty should be payable in respect of the acquisition of New Shares on the assumption that no Eligible Retail Shareholder and any associated persons will hold 90% or more of the total issued shares in HLO immediately after that acquisition.

7 Definitions

Additional New Shares means New Shares applied for by an Eligible Retail Shareholder in excess of their Entitlement and up to the Additional New Share Cap.

Applicant means an Eligible Retail Shareholder who has submitted a valid Application.

Application means the arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.

Application Monies means the aggregate amount payable for the New Shares applied for through Bpay® or in a duly completed Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the financial market operated by it on which Shares are quoted.

ASX Announcement means the announcement released to ASX by HLO on Thursday, 16 July 2020 in connection with the Entitlement Offer, incorporated in Section 4 of this Retail Offer Booklet.

BPAY® means registered to BPAY Pty Ltd ABN 69 079 137 518.

CGT means capital gains tax.

Company or **HLO** or means Helloworld Travel Limited (ACN 091 214 998).

Closing Date means the day the Retail Entitlement Offer closes, expected to be 5.00pm (Melbourne, Australia time) on Monday, 3 August 2020.

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Institutional Shareholder means an Institutional Shareholder to whom the Underwriter made an offer on behalf of HLO under the Institutional Entitlement Offer (and who, for the avoidance of doubt, is not an excluded institutional shareholder under the Underwriting Agreement).

Eligible Retail Shareholder means a Shareholder on the Record Date who:

- (a) is registered as a holder of Existing Shares;
- (b) has a registered address in Australia or New Zealand;
- (c) is not in the United States and is not a person (including nominees or custodians) acting for the account or benefit of a person in the United States in respect of the relevant underlying holders of Existing Shares;
- (d) was not invited to participate in the Institutional Entitlement Offer, was not an Eligible Institutional Shareholder and was not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer (other than as a nominee or custodian, in each case in respect of other underlying holdings); and
- (e) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Entitlement means the right to subscribe for 1 New Share for every 9 Existing Shares held by eligible Shareholders on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form that accompanies this Retail Offer Booklet.

Entitlement Offer means the pro rata accelerated non-renounceable entitlement offer of New Shares to Eligible Shareholders to raise approximately A\$22.9 million at the Offer Price on the basis of 1 New Share for every 9 Existing Shares held on the Record Date, and comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer.

Excess Amount means any monies in excess of the full amount of Application Monies for an Eligible Retail Shareholder's whole Entitlement.

Existing Shares means the Shares already on issue on the Record Date.

GST means goods and services tax imposed in Australia pursuant to the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Ineligible Institutional Shareholder means an Institutional Shareholder that is not an Eligible Institutional Shareholder.

Ineligible Retail Shareholder means a retail Shareholder that is not an Eligible Retail Shareholder.

Ineligible Shareholder means an Ineligible Institutional Shareholder and an Ineligible Retail Shareholder.

Institutional Entitlement Offer means the accelerated pro rata non-renounceable entitlement offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer.

Institutional Investor means a person:

- (a) in Australia, to whom an offer of securities in a company may be made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is an "exempt investor" as defined in section 9A(5) of the Corporations Act (as inserted by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84); or
- (b) in selected jurisdictions outside Australia, to whom an offer of New Shares may be made without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that foreign jurisdiction (except to the extent to which HLO, at its absolute discretion, is willing to comply with such requirements),

provided that if such an investor is in the United States, it is only an Institutional Investor if it (and any person for whom such person is acting) is an Approved U.S. Shareholder or Approved U.S. Investor (each as defined in the Underwriting Agreement).

Institutional Shareholder means a Shareholder who is an Institutional Investor.

Investor Presentation means the presentation to investors released to the ASX on Thursday, 16 July 2020, incorporated in Section 4 of this Retail Offer Booklet.

Listing Rules means the official listing rules of ASX.

New Shares means Shares to be issued under the Entitlement Offer, including (as the context requires) to the Underwriter or any sub-underwriters.

Offer Price means \$1.65 per New Share, being the price payable per New Share under the Entitlement Offer.

Placement means the of New Shares to Institutional Investors to raise approximately A\$27.1 million at the Offer Price.

Record Date means 7.00pm (Melbourne, Australia time) on Monday, 20 July 2020.

Retail Entitlement Offer means the pro rata non-renounceable entitlement offer of New Shares to Eligible Retail Shareholders under the Entitlement Offer.

Retail Entitlement Offer Period means the period during which the Retail Entitlement Offer is open.

Retail Offer Booklet means this document (including the personalised Entitlement and Acceptance Form accompanying it).

Section means a section of this Retail Offer Booklet.

Share means a fully paid ordinary share in the capital of HLO.

Share Registry means Automic Pty Ltd.

Shareholder means a registered holder of Shares.

Shortfall means the New Shares offered under the Retail Entitlement Offer for which valid Applications are not received from Eligible Retail Shareholders.

Underwriter means Ord Minnett Limited ACN 002 733 048.

Underwriting Agreement means the underwriting agreement entered into on Thursday, 16 July 2020 between HLO and the Underwriter.

US Securities Act means the U.S. Securities Act of 1933.

8 Corporate information

Company

Helloworld Travel Limited
179 Normanby Road
South Melbourne VIC 3205

Underwriter

Ord Minnett Limited
Level 8, NAB House
255 George Street
Sydney NSW 2000

Share Registry

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

Legal adviser

MinterEllison
Level 23, Rialto Towers
525 Collins Street
Melbourne VIC 3000 Australia

HLO Retail Entitlement Offer information line

Australia: 1300 288 664
International: +61 2 9698 5414
Open 8.30am to 5.30pm (Melbourne, Australia time) Monday to Friday during the Retail Entitlement Offer Period

MR SAM SAMPLE
222 SAMPLE STREET
SAMPLE NSW 2000

Holder Number:
I0123456789

Shares held as at the Record Date at
7:00pm (AEST) on Monday, 20 July 2020
900

RETAIL ENTITLEMENT AND ACCEPTANCE FORM

OFFER CLOSSES 5:00PM (AEST) ON 3 AUGUST 2020 (WHICH MAY CHANGE WITHOUT NOTICE)

As an Eligible Retail Shareholder you are entitled to acquire fully paid ordinary shares in Helloworld Travel Limited (**New Shares**) below for the amount payable. **Your entitlement is to one (1) New Share for every nine (9) existing Shares held at the Record Date at an issue price of \$1.65 per New Share.** The Offer Booklet dated 23 July 2020 contains information about investing in the Shares and you should carefully read the Offer Booklet before applying for Shares. This Entitlement and Acceptance Form should be read in conjunction with the Offer Booklet. If you do not understand the information provided in the Offer Booklet or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Entitlement and Acceptance form, capitalised terms have the same meaning as defined in the Offer Booklet.

1 ACCEPTANCE OF ENTITLEMENT OR PART THEREOF

	Payment Amount A\$ (\$1.65 per New Share)	Number of New Shares Applied																														
<input type="checkbox"/> Full Entitlement	\$165.00	100																														
<input type="checkbox"/> Partial Entitlement	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>											<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				

Insert the Payment Amount and Number of New Shares applied for and accepted (being not more than your Entitlement shown above)

2 APPLICATION FOR ADDITIONAL NEW SHARES

Providing you have taken up your full Entitlement (as specified above), you may elect to apply for New Shares up to your Entitlement and that number of Additional New Shares in excess of your Entitlement which represents 100% of your Entitlement (see Section 3 "How to apply" for instructions on how to take up Additional New Shares in excess of your Entitlement). Should you wish to apply for additional New Shares please complete the following section.

	Payment Amount A\$ (\$1.65 per New Share)	Number of Additional New Shares Applied																														
<input type="checkbox"/> Shortfall Shares	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>											<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				

Insert the Payment Amount and Number of Additional New Shares applied for (being not more than 100% of your Entitlement)

3 MAKE YOUR PAYMENT BY BPAY® OR CHEQUE

Total Payment (1 & 2) A\$

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Option A – BPAY®



Biller Code: 244921

Ref No: 12345678910

Contact your financial institution to make your payment from your cheque or savings account.

Note: You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment for your share subscription electronically.

Option B – CHEQUE

Cheque Number

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 BSB

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 - Account Number

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Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Helloworld Travel Limited" and crossed "Not Negotiable". Return your cheque and this application form to: Automic Group, GPO Box 5193, Sydney NSW 2001 prior to the close of the Entitlement Offer at 5:00pm (AEST) on 3 August 2020.

4 PROVIDE YOUR CONTACT DETAILS & ELECT TO BE AN E-SHAREHOLDER

Telephone Number ()	Contact Name (PLEASE PRINT)	HLO-[HolderId]
Email Address		

INSTRUCTIONS FOR COMPLETION OF THIS FORM

The Offer of New Shares is made to Eligible Retail Shareholders. Eligible Retail Shareholders are those holders of Shares who:

- (a) are registered as a holder of Shares on the Record Date;
- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds shares in the Company for the account or benefit of such person in the United States); and
- (d) are not an Eligible Institutional Shareholder who was invited to participate in the Institutional Entitlement Offer (or is an Eligible Institutional Shareholder which did not participate in the Institutional Entitlement Offer)

ACCEPTANCE OF OFFER

By returning the Entitlement and Acceptance Form with Cheque payment to the Share Registry or making a BPAY® payment:

- you represent and warrant that you have read and understood the Offer Booklet and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of the Company.

1 Acceptance of Full or Partial Entitlement for New Shares

Full Entitlements calculated at the Record Date are rounded up.

If you wish to accept for New Shares less than your full entitlement, enter the number of New Shares you wish to accept, which must be less than your full Entitlement, which is set out overleaf. No fractional Share will be allotted, therefore if the dollar amount paid divided by the issue price (A\$1.65) is a fraction of a New Share, the New Shares allotted will be rounded down.

2 Application for additional New Shares

You can only apply for additional New Shares if you have applied for your full entitlement in Section 1. You may elect to apply for New Shares up to your Entitlement and that number of Additional New Shares in excess of your Entitlement which represents 100% of your Entitlement (see Section 3 "How to apply" for instructions on how to take up Additional New Shares in excess of your Entitlement). Please specify the amount by entering the total amount payable for the number of Additional New Shares for which you are applying. No fractional Share will be allotted, therefore if the dollar amount paid divided by the issue price (A\$1.65) is a fraction of a New Share, the New Shares allotted will be rounded down.

3 Payment

Payment by BPAY®: You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. **To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this form.** Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight).

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such New Shares for which you have paid.

Payment by Cheque: Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Helloworld Travel Limited" and crossed "Not Negotiable". Please ensure sufficient funds are held in your account. If you provide a cheque for an incorrect amount the Company may treat you as applying for as many New Shares as your cheque will pay for. Your completed Application Form and cheque must be received by the Share Registry: Automic Group, GPO Box 5193, Sydney NSW 2001 prior to the close of the Entitlement Offer at 5:00pm AEST on 3 August 2020.

The Company and the Share Register accept no responsibility for incorrect, delayed or misdelivered Application Forms or payments.

4 Contact Details

Please enter a contact number we may reach you on between the hours of 8:30am and 5:30pm (AEST).

As a valued shareholder in Helloworld Travel Limited, you can help minimise the costs of printing and mailing by electing to receive all shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way. Please enter your details and return to our Share Registry by email to hello@automicgroup.com.au.

If you require further information about the Entitlement Offer, please contact the Helloworld Travel Limited Offer Information Line on 1300 288 664 (from within Australia) or +61 2 9698 5414 (from outside Australia) at any time between 8.30am and 5.30pm (Melbourne time), Monday to Friday during the Retail Offer Period.

Helloworld Travel Limited ACN 091 214 998

23 July 2020

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Dear Shareholder

Helloworld Travel Limited Entitlement Offer – Notification to ineligible shareholders

On 16 July 2020, Helloworld Travel Limited ACN 091 214 998 (ASX: HLO) (**HLO**) announced a fully underwritten placement to institutional investors of new fully paid ordinary shares in HLO (**New Shares**) (**Placement**) and an accelerated non-renounceable pro rata entitlement offer to eligible shareholders to subscribe for 1 New Share in HLO for every 9 existing fully paid ordinary shares in HLO (**Shares**) held as at 7.00 pm (Melbourne, Australia time) on the record date (being, Monday, 20 July 2020) (**Record Date**) (**Entitlement**) at an issue price of \$1.65 per New Share (**Issue Price**) (**Entitlement Offer** and, together with the Placement, the **Offer**).

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**). On 17 July 2020, the Company announced that it had successfully raised approximately \$14.5 million under the Institutional Entitlement Offer and approximately \$27.1 million under the Placement. The Retail Entitlement Offer is non-renounceable, and Entitlements that are not taken up by Eligible Retail Shareholders, together with the Entitlements of Ineligible Retail Shareholders (as defined below), will lapse.

The Entitlement Offer is being made by HLO in accordance with section 708AA of the *Corporations Act 2001* (**Corporations Act**) as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84. The Institutional Entitlement Offer and the Retail Entitlement Offer together will raise approximately \$22.9 million.

Documents relating to the Retail Entitlement Offer were lodged with the Australian Securities Exchange (**ASX**) today and are being mailed to Eligible Retail Shareholders.

This letter has been sent to you to inform you about the Retail Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Retail Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

Details of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to Eligible Retail Shareholders on the basis of 1 New Share for every 9 existing Shares held at 7.00 pm (Melbourne, Australia time) on the Record Date, being Monday, 20 July 2020.

Eligibility criteria

HLO has determined, pursuant to section 9A(3) of the Corporations Act and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to HLO shareholders in all countries in connection with the Retail Entitlement Offer. Accordingly, in compliance with section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(b), HLO wishes to inform you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer.

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are those shareholders of HLO who:

- (a) are registered as a holder of Shares as at the Record Date, being 7.00pm (Melbourne, Australia time) on Monday, 20 July 2020;
- (b) have a registered address on HLO's share register that is in Australia or New Zealand (each, an **Offer Jurisdiction**);
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such shareholders hold securities in HLO for the account or benefit of such persons in the United States);
- (d) other than those holders of Shares who have an address in an Offer Jurisdiction on HLO's share register, are eligible under all applicable laws to receive an offer under the Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification; and
- (e) were not invited to participate, (other than as nominee in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders are ineligible retail shareholders and are consequently unable to participate in the Retail Entitlement Offer. HLO may (at its absolute discretion) extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the Institutional Entitlement Offer (subject to compliance with applicable laws).

Non-renounceable offer

As the Retail Entitlement Offer is non-renounceable, entitlements in respect of the New Shares you would have been entitled to if you were an Eligible Retail Shareholder will lapse and you will not receive any payment or value for your entitlements in respect of any New Shares that would have been offered to you if you had been eligible. New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Retail Shareholder may be allocated to other Eligible Retail Shareholders who subscribe for New Shares in excess of their entitlement under the Retail Entitlement Offer.

Further information

If you have any questions in relation to any of the above matters, please contact the HLO Entitlement Offer Information Line on 1300 288 664 (local call from within Australia) or +61 2 9698 5414 (from outside Australia) from 8.30am to 5.30pm (Melbourne, Australia time) Monday to Friday.

On behalf of the Board and management of HLO, thank you for your continued interest in HLO.

Yours sincerely



David Hall
Chief Financial Officer and Company Secretary
Helloworld Travel Limited

This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia, New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in HLO.

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the New Shares have been or will be registered under the U.S. Securities Act of 1933 (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered or sold in the United States or to any person acting for the account or benefit of a person in the United States unless they are registered under the Securities Act or unless they are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in “offshore transactions” (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.