

Stock exchange listings: New Zealand (NZX: AIR) / Australia (ASX: AIZ) / ADR (OTC : ANZLY)

## MARKET ANNOUNCEMENT

### NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

6 April 2022

#### Rights Offer – letter to ineligible shareholders

Air New Zealand has sent the **attached** letter to shareholders who are ineligible to participate in the Rights Offer.

*Ends.*

This announcement has been authorised for release to NZX and ASX by:

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#### Important Information

This communication is not for distribution or release in the United States. This communication does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The Rights and the New Shares have not been, and will not be, registered under the US Securities Act of 1933 (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 or to any person acting for the account or benefit of any person in the United States, except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

6 April 2022

Dear Shareholder(s),

### **Air New Zealand Limited Rights Offer – Notification to Ineligible Shareholders**

On 30 March 2022, Air New Zealand Limited (**Air New Zealand**) announced an intention to undertake a renounceable rights offer (the **Rights Offer**) of new fully paid ordinary shares in Air New Zealand (each a **New Share**, together **New Shares**) to raise NZ\$1.2 billion, the proceeds of which will be used by Air New Zealand to repay the existing Crown loan, strengthen its balance sheet, improve liquidity and help position itself for recovery.

Under the Rights Offer, for each existing share held in Air New Zealand at 7.00pm (NZST) / 5.00pm (AEST) on 5 April 2022 (the **Record Date**) an Eligible Shareholder will receive one right to subscribe for 2 New Shares at the offer price of NZ\$0.53 per New Share (or A\$0.49 per New Share) (a **Right**). Eligible Shareholders who take up their Rights in full also have the opportunity to apply for additional New Shares in a shortfall bookbuild process (the **Shortfall Bookbuild**).

Under the terms of the Rights Offer, you are an Ineligible Shareholder (as defined below) and, accordingly, you are not eligible to subscribe for New Shares, nor will you be sent a copy of the Offer Document prepared for the Rights Offer dated 30 March 2022 (**Offer Document**).

This letter is to inform you about the Rights Offer and explain why you are not able to subscribe for New Shares under the Rights 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.** However, you may still receive some benefit from the Rights Offer, as described below.

### **Who is eligible to participate in the Rights Offer?**

An **Eligible Shareholder** means an Air New Zealand shareholder as at 7.00pm (NZST) / 5.00pm (AEST) on the Record Date:

- (a) located in/with a registered address in New Zealand or Australia;
- (b) that is an Institutional Investor located in/with a registered address in Canada, Cayman Islands, the European Union, Hong Kong, Norway, Singapore, Switzerland, the United Arab Emirates or the United Kingdom; or
- (c) is any other person to whom Air New Zealand and the joint lead managers for the Rights Offer (**Joint Lead Managers**) consider an offer of Rights or New Shares may be made without the need for a lodged prospectus or other formality (other than a formality with which Air New Zealand is willing to comply),

and who is not in the United States and is not acting for the account or benefit of a person in the United States.

Eligible Shareholders in certain jurisdictions outside Australia and New Zealand will be contacted directly.

Certain institutional shareholders in the United States may be invited to participate in the U.S. Private Placement to be conducted concurrently with the Offer, and will be contacted directly by Air New Zealand with the relevant offer documentation in relation thereto.

Any Air New Zealand shareholder who is not an Eligible Shareholder, is an **Ineligible Shareholder**.

## Why am I not eligible to participate in the Rights Offer?

The Rights Offer is not open to shareholders in all jurisdictions as Air New Zealand considers that it is unduly onerous and unreasonable for Air New Zealand to make the Rights Offer into those other jurisdictions. That decision was taken having regard to a number of factors, including the number of securities held by Ineligible Shareholders, the number and value of New Shares that they would be offered and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to Ineligible Shareholders in those places. Air New Zealand, the Underwriters, the Joint Lead Managers and each of their respective affiliates and related bodies corporate and each of their directors, partners, employees, advisers and agents disclaim any liability as to eligibility, to the maximum extent permitted by law.

According to our records, you do not satisfy the criteria for an Eligible Shareholder. Consequently, you will not be sent the Offer Document or be able to subscribe for New Shares.

## How may I still receive some benefit from the Rights Offer?

New Shares attributable to Rights not taken up on the closing date of the Rights Offer (being 2 May 2022) including the Rights attributable to Ineligible Shareholders (**Unexercised Rights**) will be offered under a Shortfall Bookbuild to Eligible Shareholders who take up their Rights in full and apply for additional New Shares and to institutional investors. The Shortfall Bookbuild is expected to be completed on 4 May 2022.

The price at which New Shares will be issued under the Shortfall Bookbuild is the Bookbuild Price. The Bookbuild Price will be determined by Air New Zealand in consultation with the underwriters for the Rights Offer (the **Underwriters**) (each acting reasonably) on 4 May 2022 and will be equal to or above the Offer Price. There is no limit to the Bookbuild Price. The proceeds from each New Share issued under the Shortfall Bookbuild (if any) will be paid as follows:

- the Offer Price of NZ\$0.53 will be paid to Air New Zealand; and
- any amount per New Share, if any, by which the Bookbuild Price exceeds the Offer Price (**Premium**) will be paid (net of any amounts required to be withheld) to the holders of Unexercised Rights (including Ineligible Shareholders) in proportion to their holdings of Unexercised Rights. Ineligible Shareholders will be deemed to hold the number of Rights they would have received if they were Eligible Shareholders for the purpose of calculating the amount of any Premium payable to them.

Payment of the Premium (if any) is expected to be made by 16 May 2022. Link Market Services Limited, the Registrar, will remit the Premium on behalf of Air New Zealand, if any, net of any amounts required to be withheld:

- in New Zealand dollars; or
- for those shareholders who receive dividends in Australian dollars, in Australian dollars at the A\$:NZ\$ exchange rate published by the Reserve Bank of New Zealand on its website at 3.00pm (NZST) on 3 May 2022,

in accordance with the direct credit payment instructions provided by the relevant shareholder to Air New Zealand (if any) and otherwise withheld until such time as a direct credit instruction is provided to the Registrar.

No fees or costs will be payable by any shareholder, and no interest will be collected or paid to any shareholder on any Premium payable. There is no guarantee that any Premium will be realised from the Shortfall Bookbuild. The Premium may be zero, in which case no payment will be made to the holders of the Unexercised Rights attributable to the New Shares sold in the Shortfall Bookbuild.

The ability to sell New Shares attributable to Unexercised Rights in the Shortfall Bookbuild and the ability to obtain any Premium will be dependent upon various factors, including market conditions.

Further, the Premium (if any) may not be the highest bid for the New Shares, but will be determined having regard to a number of factors.

To the maximum extent permitted by law, Air New Zealand, the Underwriters, the Joint Lead Managers, and each of their respective related bodies corporate and affiliates, and each of their respective directors, officers, partners, employees, representatives and agents, disclaim all liability, including for negligence, for any failure to realise a Premium or any movements in exchange rates, if exchanging the Premium into Australian dollar funds. Air New Zealand and the Underwriters reserve the right to allocate New Shares under the Shortfall Bookbuild at their discretion.

While the Rights Offer is not able to be made to you, we thank you for your continued support of Air New Zealand.

On behalf of  
Air New Zealand Limited



**Dame Therese Walsh**  
Chair



**Greg Foran**  
CEO

This letter does not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this letter nor anything attached to this letter shall form the basis of any contract or commitment. In particular, this letter does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal.

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 New Zealand and Australia. The Rights and the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (**U.S. 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 or to any person that is acting for the account or benefit of a person in the United States, except in transactions exempt from, or not subject to, registration under the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.